
The ICPDR Partnership Handbook

icpdr **iksd**

International
Commission
for the Protection
of the Danube River

Internationale
Kommission
zum Schutz
der Donau



The only thing that will redeem mankind is cooperation.

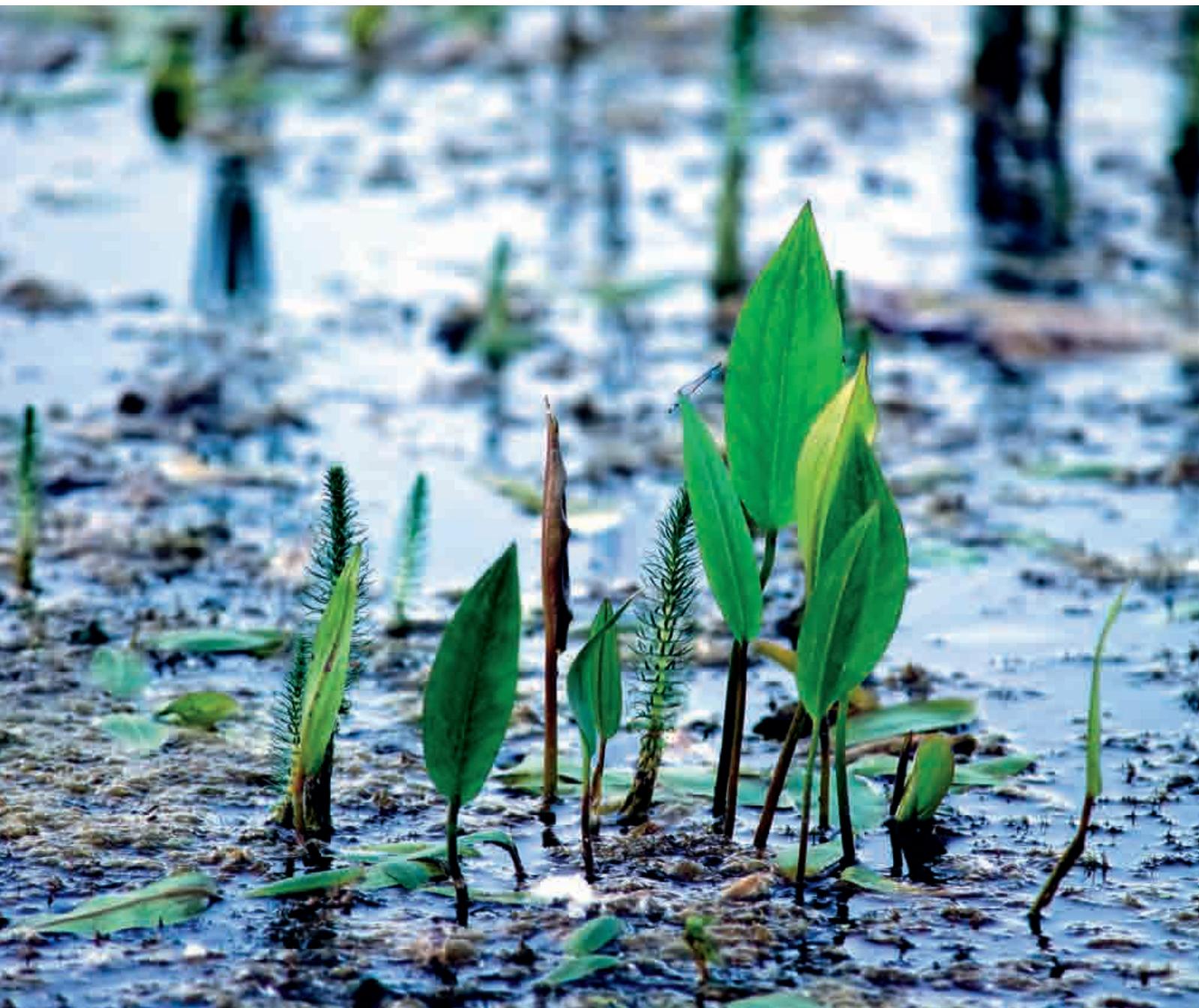
Bertrand Arthur William Russell

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Collective efforts make the difference!

The ICPDR has a reputation as a trusted, independent, non-profit international organisation dedicated to the sustainability of the Danube Basin. This reputation has been built over time, as the ICPDR has worked together with governments, the private sector, community organisations and citizens to make the Danube Basin a better place.

This publication is intended to strengthen our partnerships, to disseminate lessons learned and best practices and to attract others interested in providing mutual benefits.

The ICPDR is a worldwide model for cooperation in river basin management with much to be proud of in the Danube Basin. Recently the ICPDR, representing Europe's famous blue Danube, won the International **Thiess Riverprize 2007** for excellence in water management. The announcement was made in Brisbane, Australia during a special award ceremony at the **10th annual International Riversymposium** held 3-6 September 2007.

Through the forum created by the ICPDR, Danube countries are restoring some of the Danube's lost treasures, preventing future plans from causing more damage and increasing international cooperation.

The ICPDR promotes a variety of partnerships and works on river basin management projects as diverse as the development of the Danube River Basin Management Plan, integrated flood risk management or sustainable navigation.



This handbook presents the ICPDR's story, the fundamentals of its partnerships and collaborative relationships and their lessons learned. It also takes a look at other public-private partnerships between businesses and institutions similar to the ICPDR in the Danube Basin and beyond.

The final result is an overview of lessons learned and best practices that both the ICPDR and various stakeholders can use to develop future partnerships with each other.

Philip Weller
Executive Secretary, ICPDR

1. Why the Danube river basin?

Throughout history, the Danube River has always been the most important European River, providing the basic necessities for human life. From its source to its mouth, the Danube River and its tributaries serve as a resource for various water uses, such as supplies for drinking water and industry, energy production, transport, agricultural irrigation and wastewater. In addition, the Danube River, together with the delta, supports areas of high biological diversity that are not only important for such activities such as tourism, fishery and forestry, but also provides a home for large amounts of animal and plant species.

The Danube River is 2,780 km long and connects central Europe with the Black Sea, where the Danube discharges an average of 6,500 m³/s. The entire catchment is 801,463 km² large and includes high mountain ranges (Alps, Carpathians), vast plains (puszta), limestone karst relief and dry steppes. The Danube Basin is the second largest in Europe after the Volga. Joint river management is thus both a big challenge and an essential need.

Home to some 81 million people, the Danube Basin covers parts of 19 countries making it the world's most international river basin – and a major challenge for transboundary cooperation.

The Danube also has a number of sub-basins that are comparable in size to other important international river basins in Europe. The Tisza River Basin, for example, is the largest sub-basin in the Danube River Basin (157,186 km²) and is a slightly larger than the Elbe River Basin (148,268 km²). Five countries (Hungary, Romania, Serbia, Slovakia and Ukraine) have territory within the Tisza River Basin. In addition, the Sava River is the largest Danube tributary by discharge (average 1,564 m³/sec) and the second largest by catchment area (95,419 km²). The Sava River Basin includes territories of Bosnia and Herzegovina, Croatia, Serbia and Slovenia.

The Danube River, however, is not only impressive because of its size. It contains highly diverse geographic regions, and has a rich human history. It is also characterized by major socio-economic differences among the countries.

A unique feature of the Danube is the remarkable Danube Delta, the world's largest reed bed complex. It is largely situated in Romania and partly in Ukraine where the Danube enters the Black Sea, and is a bi-national biosphere reserve. The entire protected area covers 679,000 ha including floodplains and marine areas. The core of the reserve (312,400 ha) was established as a 'World Nature Heritage' site in 1991. There are 668 natural lakes larger than one hectare covering 9.28% of the Delta's surface.

Protecting the Danube has become an important issue in recent years. The economic development in the Danube region brought not only an improvement in the quality of life but also threats to the environment and to the river. An increase in industrial activities, extensive agriculture and growing municipal communities are all potential sources of pollution if not properly managed and can have negative impact on functions of the river, water quality, water uses, water supplies and aquatic life. In particular, pollution from nutrients and toxic substances has become a serious problem as it affects not only the Danube but also the Black Sea.

Gross domestic product (GDP) at purchasing power parity (PPP) per capita US \$ of the countries in the Danube river basin, 2006

TABLE 1





The whole Danube – Black Sea basin is characterised by significant regional, social and economic disparities. There is a clear west – east decline of the GDP from upstream countries such as Germany and Austria, with about EUR 35,000 per capita in 2006, to downstream countries with about EUR 2,000 per capita. This greatly influences the basin-wide management of water resources and restoration and pollution reduction efforts. The percentage of population connected to public water supply as well as to sewage disposal, for example, shows great differences and standards from west to east.

Thirteen countries together comprise 99% of the territory of the basin and a further five countries have small amounts of land area in the basin. These thirteen major countries and the European Union signed the Danube River Protection Convention (DRPC) in 1994, which committed them to coordinated management of water resources.

1.1 The ICPDR - Bringing values that last

To coordinate the work under the DRPC to ensure the sustainable and equitable use of waters and freshwater resources in the Danube River Basin, the International Commission for the Protection of the Danube River (ICPDR) was founded in October 1998. The ICPDR has established a secretariat based in Vienna and developed a work group structure involving the input of experts from each of the countries.

The following 13 countries, plus the European Union (EU), are all ‘Contracting Parties’ to the DRPC: Austria, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Germany, Hungary, Moldova, Romania, Serbia and Montenegro, Slovakia, Slovenia and Ukraine.

After Serbia and Montenegro split in June 2006, Montenegro is expected to soon become the 15th Contracting Party.

The signatory parties to the DRPC have agreed to cooperate on fundamental water management issues by taking "all appropriate legal, administrative and technical measures to at least maintain and where possible improve the current water quality and environmental conditions of the Danube River and of the waters in its catchment area, and to prevent and reduce as far as possible adverse impacts and changes occurring or likely to be caused."

The faces of the Danube Basin are ever changing. Four Danube countries – the Czech Republic, Hungary, Slovakia and Slovenia joined Austria and Germany to become EU Members States on 1 May 2004, and other two, Bulgaria and Romania, joined on 1 January 2007. Three other Danube countries are in the process of accession and are preparing to conform with the complete body of EU legislation in order to become EU Members. Others have not initiated a formal process to join the EU.

The ICPDR is mandated to implement the DRPC, the major legal instrument for transboundary cooperation and integrated river basin management in the Danube Basin, by promoting and coordinating sustainable and equitable water management, including conservation, and rational use of waters for the benefit of the Danube Basin countries and their people.

The working structure of the ICPDR

TABLE 2



The ICPDR is formally comprised of the Delegations of all Contracting Parties to the Danube River Protection Convention. Representatives from ministries, civil society, the scientific community and the private sector also cooperate with the ICPDR. Expert groups provide the ICPDR with technical information and strategic input. The Secretariat, based in Vienna, performs functions to administer the Convention and to realise the ICPDR programme. Political decisions are taken at the ICPDR Ordinary Meetings Group, based on the guidance provided at the Standing Working Group meetings.

As of today all major stakeholder groups in the Danube River Basin have been granted Observer status and are actively contributing to the work of the ICPDR:

- Governmental organisations: Black Sea Protection Commission, Danube Navigation Commission, UNESCO International Hydrological Programme, Ramsar Convention on Wetlands and the Regional Environmental Centre for Central & Eastern Europe (REC)
- Non-governmental organisations: Danube Environmental Forum (DEF), European Angling Association, Friends of Nature International, Global Water Partnership (GWP), International Association for Danube Research (IAD), International Association of Water Supply Companies in the Danube Catchment Area (IAWD), and Worldwide Fund for Nature (WWF) International - Danube Carpathian Programme
- Business associations: European Barge Union (EBU), Danube Tourism Commission, VGB Power Tech and via donau

The ICPDR has also established a framework for other organisations to join as observers. Stakeholders are invited to actively participate in the development and execution of the ICPDR's work.

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2. Showing that collaborative governance works

The ICPDR is strongly involved in multi-stakeholder cooperation (with government, experts and scientists, non-governmental organisations (NGOs), donors, international institutions and the business sector), promoting joint development and the implementation of integrated river basin management policies and projects.

2.1 Across the wider Danube – Black Sea region

United Nations Development Programme /
Global Environment Facility Partnership

In its work, the ICPDR has been substantially supported since 1992 by the United Nations Development Programme (UNDP), with funds from the Global Environment Facility (GEF), to address priority environmental problems in the Danube Basin. The Pollution Reduction Programme (1997 – 1999) covered a group of projects and measures that identified pollution and transboundary effects in the Danube Basin and the Black Sea (including a Transboundary Diagnostic Analysis) in support of the Danube River Protection Convention (DRPC).

This was followed up by the Danube Regional Project (DRP, 2001-2007), with the main goal to support existing structures and activities to facilitate a regional approach, thus strengthening the capacity of the ICPDR and the Danube countries to fulfil their commitments to implement the DRPC and the EU Water Framework Directive (WFD). The DRP supported transboundary cooperation in some 80 activities concerned with improving water supply and other water services. Key targets included reducing nutrient pollution, strengthening agricultural policies, providing effective river basin management tools and improving wetlands management.

The DRP is one of three components of the USD 95 million GEF Strategic Partnership for Nutrient Reduction in the Danube / Black Sea Basin. Recognised as the largest and perhaps most ambitious and successful water-related project supported by the GEF anywhere in the world, this support ended in 2007.

Today, the Danube is the flagship for the GEF International Waters portfolio and a service project for other GEF interventions. The visible basin spirit – serious political commitments, good expert cooperation and fact-based joint analysis of key basin issues – is a result of good communication and a functioning coordinating institution.

Cooperation with the Black Sea Commission

The ICPDR cooperates with the International Commission for the Protection of the Black Sea, particularly aiming to assess the influence of and reduce the nutrient inputs into the Black Sea.

In 1992 the six coastal countries of Bulgaria, Georgia, Romania, Russia, Turkey and Ukraine signed the Bucharest Convention for the Protection of the Black Sea against Pollution. The Black Sea Commission (BSC) is the body responsible for implementing the convention, which provides the legal framework for regional cooperation and the actions needed to reduce pollution and protect the marine environment. The BSC plays an important role in promoting the collaboration between different partners working to protect the Black Sea environment – particularly the work of national governments, NGOs and other regional projects and organisations.

Recognising that eutrophication is a pressing ecological threat to the fragile Black Sea ecosystem and that the Danube is a major nutrient source for the sea, both the BSC and the ICPDR signed a Memorandum of Understanding (MoU) on common strategic goals as the main mechanism for cooperation at the Ministerial Conference on 26 November 2001 in Brussels, Belgium. To implement the joint declaration on the “Protection of Water and Water related ecosystems in the wider Black Sea Region”, the Danube Black Sea (DABLAS) Task Force was formed to provide a platform for cooperation and to facilitate financial arrangements for the implementation of projects to reduce pollution and rehabilitate ecosystems in the wider Black Sea region.

The MoU specifies the commitment needed to reduce Danube pollution inputs to the Black Sea and details steps to be taken to ensure the exchange of information on Danube pollution inputs to the Black Sea and to receive feedback on ecosystem indicators related to Danube pollution

The main MoU objectives are to permit Black Sea ecosystems to recover to conditions observed in 1960s and to avoid nutrient loads exceeding those from the mid 1990s. It also addresses a harmonisation of standards to assure comparable assessment and reporting on ecological status and input loads and adoption of strategies for pollution reduction while assuring economic development in the region.

The Danube-Black Sea Joint Technical Working Group (JTWG), formed to facilitate implementation of the MoU, has agreed upon ecological status indicators and reporting formats, taking into account the implementation of the WFD in coastal waters.

The JTWG Work Programme aims to develop a monitoring programme and ecological status indicators in the area and also to assess pollution causes and the ecological status of the Black Sea.

An important result was achieved in Danube/Black Sea cooperation by producing the first ever report on the assessment of the Danube impact of the northwest shelf of the Black Sea within the JTWG, which clearly indicates positive development in the shallow water ecosystem in the north-western Black Sea.

2.2 Across the Basin

[Across the Basin: Leading sustainable programmes, studies and projects with the European Commission \(EC\)](#)

EU DABLAS Task Force

Since 1992, the European Community has supported the efforts of the Danube countries to develop the necessary mechanisms for effective implementation of the DRPC. The Danube Environmental Programme Investments from 1992–2000 included USD 27 million from the EU PHARE and TACIS programmes.

Support received through DABLAS projects in 2002 and 2004 enabled a basin-wide revision and assessment of policy objectives, priorities and strategies as well as water-related legislation and practices in line with the ICPDR Joint Action Programme (JAP). It has also allowed identification of the main deficiencies and the steps needed for policy, legal and regulatory reform, and also identified the cost estimates for reforms concerning institutional and legal measures and direct investments that have been carried out to respond to new water related regulations linked with JAP tasks.

An operational ICPDR-DABLAS database can be used as an interactive tool for evaluating the remaining needs for investments and policy measures on a regional, national and sector basis. It is linked to the ICPDR emission inventories database.

The database is revised regularly and includes projects for municipal, industrial, agro-industrial, wetland restoration, agricultural and land use. As of 2007, a total of 385 investment projects were assessed in 11 countries in the Danube River Basin, including 41 projects in Austria and Germany. More than 50% of all investment projects are municipal. The estimated investment costs for all projects total EUR 4,000 million. It is expected that these projects will contribute to a nitrogen reduction of 22% and a phosphorus reduction of 33% (both from point and diffuse sources). By March 2007, 78 investment projects (totalling 798 million) were completed reducing 7,478 kt/y of N and 1,712 t/y of P.

Ministerial Meeting “Danube - Black Sea: towards a strong partnership”

On 23 February 2007 in Bucharest, Romania, ministers from the Danube and Black Sea countries took an ambitious step towards the protection of the Danube River Basin and Black Sea region ecosystems. The European Commission and the federal ministers in charge of water management for 16 Danube Basin and Black Sea countries adopted a declaration in which they jointly confirmed their strong commitment to foster cooperation and to implement the programmes of the ICPDR and the BSC. By adopting this declaration, the Danube Countries take significant steps towards the compliance the EU Water Framework Directive, which asks for a “good ecological status” of all waters by 2015.

The declaration recognizes the important values of the Danube/Black Sea region, the historical damage that it has undergone and recent signs of environmental recovery as a result of cooperative actions.

Around this high level ministerial meeting, the ICPDR presented their outstanding sustained success reached within the last 15 years and the excellent outputs that could be achieved also through the strong financial commitment of the United Nations, the European Union, and the World Bank. The meeting was an occasion to take stock of this progress, to assess what have been achieved and examine what is needed to do in future to maintain that progress in integrated river basin management.



Across the Basin: Encouraging donor involvement

Donors, international finance institutions (IFIs), Danube funding institutions are all invited organisations to facilitate implementation of the ICPDR work and contribute to regional efforts to improve the provision of water and wastewater services and achieve a consequent positive impact on the “environmental health” of the Danube River Basin. The ICPDR informs them about investment needs and opportunities both via meetings and the DABLAS database (with updated donor-relevant information on municipal, industrial, agricultural and wetland projects).

By December 2009 the Danube River Basin Management Plan (RBMP) will have to be finalised. A Joint Programme of Measures has to be developed and the political commitment to introduce and finance the needed measures is needed. This applies as well to the necessary measures outlined in our Flood Action Programme.

The Danube RBMP will include investment proposals, which will become the main driver for investment in the river basin. As available financing is limited, it is important to maximise the feasibility and efficiency of investment through dialogue with donors and improved understanding of IFIs requirements.

Under the ICPDR Joint Action Programme over USD 4 billion of investment have been made in municipal wastewater treatment which have reduced Danube pollution. Despite substantial progress there is the requirement for additional investment in the building of sewage treatment plants where they do not exist, the upgrading where necessary and ensuring adoption of pollution reduction technologies in general.

Further funding will be required and it is sensible to utilize the DABLAS mechanism to bring funding authorities and the country representatives together to ensure that the needed resources are available.

To demonstrate to the IFIs and to the donor community the efforts already undertaken by the Danube countries and to establish a valid basis for evaluation through an European Bank for Reconstruction and Development assistance, a study was carried out by the ICPDR in 2007 to provide detailed information on the implementation of policies, directives and investment projects in Danube countries.

Through periodic evaluations of the subsequent progress at the national and regional levels, the ICPDR database on investments supports enhanced understanding and evidence on the donor’s past work and future opportunities for investments in the region.

Across the Basin: Cooperation between the Contracting Parties

In its short history, the ICPDR has established itself as a stable institution that provides an effective forum for cooperation on water management among Danube countries. The ICPDR has achieved this status because it is supported by all the contracting countries to the Danube River Protection Convention (DRPC). Due to this support, the ICPDR is recognised worldwide as an effective model of river basin cooperation.

Governments are the official Parties to the DRPC and are responsible for all decisions and work of the ICPDR. All Danube Basin countries, including non-EU countries, signed commitments to jointly implement the Joint Action Programme 2001-2005 and then the WFD (to develop the Danube River Basin Management Plan, including a Joint Programme of Measures by 2009). The first major output was the jointly compiled Danube Basin Analysis 2004.

Ministerial Declarations from 2000, 2004 and 2007 confirmed the concerted actions for basin-wide measures such as municipal wastewater treatment upgrades, introducing phosphate-free laundry detergents and implementing the Action Programme for Sustainable Flood Protection in the Danube Basin and its sub-basins.

Continued cooperation and support is provided by the ICPDR at the sub-basin level, to create new sub-basin commissions – such as the Sava Commission, which has already been established and is operational), or to organise river basin technical support to help develop the Sava, Tisza and Prut River Basin Management Plans.

The ICPDR also supports various EU twinning projects on WFD implementation in Danube countries.

Across the Basin: Strengthening stakeholder involvement

The Danube River Basin is a special place. Keeping it that way demands that people share in the responsibility for its future. That is where the ICPDR comes in.

The active involvement of the public is a core principle in sustainable water management. This basic fact was already recognised when the DRPC was signed on 29 June 1994 in Sofia, Bulgaria.

The DRPC has already foreseen the involvement of the organised public in the framework of its implementation. To date, 16 organisations have taken this opportunity and have become observers to the ICPDR. These organisations include NGOs, organisations representing private industry, and intergovernmental organisations.

Cooperation with observers – that have the right to participate in ICPDR decision-making meetings and Expert Group meetings – has proven to be successful in ensuring that differing aspects and approaches influence and shape water management in the Danube River Basin.

Involving the public has even been enhanced by the requirements of the EU Water Framework Directive (WFD). The ICPDR – as the coordination platform for implementation of the WFD on issues of basin-wide or multilateral concern – took this new challenge as an opportunity to review its ongoing practices. The ICPDR began an active process to define a ‘Danube River Basin Strategy for Public Participation in River Basin Management Planning 2003-2009’ and consequently to develop an ‘ICPDR Operational Plan’.

Strategy for public participation in river basin management 2003-2009

Based on Article 14 of the WFD, the objectives of this strategy are:

- To ensure public participation in the implementation of the WFD, especially concerning the development of the Danube River Basin Management Plan.
- To facilitate the establishment of effective structures and mechanisms for public participation that will continue operating beyond the first cycle of river basin management planning.
- To provide guidance to national governments on how to comply with their obligations under the WFD by providing practical support and guidance in addressing public participation.
- To inform key stakeholders about the structures for public participation and public involvement at the various levels.

The basic principles of the 'Danube River Basin Strategy for Public Participation in River Basin Management Planning 2003-2009' were approved in June 2003.

One of the crucial elements of the public participation strategy was the need to organise public participation at various levels to ensure meaningful inputs. For the Danube River Basin, these levels are:

- the international or 'roof' level (Danube River Basin District)
- the national level (the key implementing and management level)
- the sub-basin level (transboundary and/or national)
- the local level.

All four levels are required to ensure the success of any activity at any single level. The roof level provides the framework for coordination throughout the river basin. The differences between the levels depend on stakeholder, type of activities, and on timetables of these activities, management and coordination needs.

ICPDR Operational Plan

The activities at the ICPDR level were developed in detail and summarised in the 'ICPDR Operational Plan'. The overall framework for this plan, and in particular the activities for 2004, was adopted in December 2003.

The Operational Plan provides a description of the activities at the roof level, including a timetable and a work plan. As a planning tool, it is regularly adjusted to the needs of the ICPDR.

For the first time ever, 13 countries in one large river basin embarked on the process to develop a coherent approach to management and jointly to create tools for the public involvement.

The public participation activities of the ICPDR aim to raise awareness about water management in general and about the Danube River Basin in particular by:

- informing the public (including stakeholders and NGOs) about the WFD and the possibilities to participate in the process of its implementation;
- ensuring that organisational mechanisms for public participation are in place (in line with the national processes);
- involving the appropriate stakeholder groups;
- developing a network of public participation experts throughout the Danube River Basin and
- creating an effective media network to ensure the reach of a wider public.

Stakeholder analysis

In December 2003 the first Stakeholder Analysis was carried out. Based on the findings, a decision on stakeholder involvement helped the successful implementation of the WFD by developing the first comprehensive Danube Basin Analysis, submitted to the European Commission in March 2004.

During the first Danube Stakeholder Conference, held 28-29 June 2005, about 100 stakeholders from the entire river basin convened in Budapest, Hungary at the invitation of the ICPDR. Participants represented public administrations, various water-use sectors (including water utilities, navigation, industry, energy production and tourism) and environmental NGOs.

The proceedings of this first Stakeholder Conference served as the basis for further discussions as well as a reference point for the activities of the ICPDR concerning the active involvement of the public as recommended by article 14 of the WFD.

Across the basin: Caring for the Danube and its future

Sustainability through cross border ALCOA Foundation grant projects

In 2001, the Alcoa Foundation began its history of financial support to the ICPDR. The Alcoa Foundation is a global resource that actively invests in the quality of life of people worldwide.

Consistent with its overall areas of excellence and funding policy, the Alcoa Foundation has provided financial assistance to communities in the Danube River Basin where it has operations. Over the last six years, financial support for the ICPDR was allocated through the Foundation's 'Conservation and Sustainability Area of Excellence'. Support from the Alcoa Foundation has helped to create local awareness-raising activities and to develop this handbook.



Projects supported through the Alcoa Foundation should match one of the Foundation's four 'Areas of Excellence' which guide global and local grant making through the provision of a thematic focus, and which are reflective of Alcoa's values. These are Conservation and Sustainability, Global Education and Workplace Skills, Business and Community Partnerships, and Safe and Healthy Children and Families.

The Foundation also supports a range of national, international and policy organisations that underscore Alcoa's interests. Preference is given to organisations that can demonstrate past successes in the Areas of Excellence. The Alcoa Foundation's 'Conservation and Sustainability' Area of Excellence aims to demonstrate their commitment to conservation by "educating young leaders, protecting our forests, promoting sound public policy research, and understanding the linkages between business and the environment."

The Alcoa Foundation has also provided support to upgrade trans-boundary water monitoring systems. In June 2002, the Alcoa Foundation donated a Total Organic Carbon/Total Nitrogen Analyser to the National Institute for Marine Research and Development in Constanta, Romania, at the mouth of the Danube in the Black Sea. This equipment is fully integrated into the Transnational Monitoring Network (TNMN) and is working to keep the Danube clean.

The support helped Hungary, Romania and the ICPDR to fulfil their obligations in meeting the monitoring requirements of the EU Water Framework Directive, by expanding their contributions to the ICPDR's TNMN.

The TNMN provides an overall view of pollution and long-term trends in water quality and pollution loads in the major rivers of the entire Danube Basin. Enhanced monitoring between the two border countries provides much needed biological, chemical and physical data, the results of which support future activities aimed primarily at controlling nutrient pollution to the Danube River between the two countries.

Between 2004 and 2006, two grants worth a total of a USD 362,000 were provided with the main goal of strengthening the technical capacity of local water management authority staff in Romania to monitor water quality. The beneficiaries were two local branches of the National Administration 'Apele Romane' – the Crisuri Water Directorate from Oradea and the Water Directorate of Arad.

The objectives of the grant to the Crisuri Water Directorate from Oradea aimed:

- to ensure capacity of the local branch (Oradea) of Apele Romane to fulfil the monitoring requirements of the Danube Convention, through the TNMN, and
- to provide an effective educational opportunity that would allow the professionals to use appropriate equipment, learn about new assessment techniques and enhance their perception on the water pollution impacts.

Concrete deliverables included the purchase of new, cutting-edge monitoring and laboratory equipment and training local staff to use it. The equipment was intended for use in transboundary areas shared between Romania and Hungary – specifically for communities in the Cris/Koros River Basin and the Mures River Basin, both sub-basins of the Danube Basin.

In addition to the Alcoa Foundation grant, the water authority Apele Romane in Oradea identified supplementary resources to organise and launch an ecological awareness campaign in Black Cris River Basin aiming to identify the best approaches for engaging and educating the public about pollution control, and enforcing communication.

Opportunities also arose from the new partnership with the business sector, such as with the Wastewater Treatment Plant of the largest drinks producers in Romania (European Drinks, Oradea).

An official opening of the Oradea laboratory took place on 9 November 2005 in Oradea, Romania where representatives from the ICPDR and the Alcoa Foundation expressed their appreciation for the excellent cooperation between the Romanian and Hungarian partners in implementing WFD and the ICPDR requirements. The Alcoa Foundation grant also prompted additional environmental investments and partnerships with the business sector.

The campaign, launched in November 2005, was the result of a partnership between the ICPDR, the Alcoa Foundation, the Water Directorate Cris with the Ministry of Environment and Water Management, several local partners from the business sector, local governments (including the Municipality of Oradea), schools and media partners.

The campaign was organised in five municipalities in the Black Cris Basin, the most vulnerable river in the basin given the large number of existing protected areas there. Its slogan was 'Clean Cris' and its mascot was a drop of water called 'Stropi'. Overall, the campaign focused on engaging and educating the public about pollution control.

The ICPDR provided visibility to the grant and the Alcoa Foundation by communicating information through its 'Danube Watch' magazine, website and meetings with stakeholders.

Through the 2005-2006 Alcoa Foundation grant, assistance was given to improve the capacity of the local branches of Apele Romane in the Mures River Basin to run an integrated monitoring system fulfilling the monitoring requirements of the DRPC. The grant enhanced the ability of the water authorities in Romania and Hungary to respond to WFD implementation tasks, in particular to identify and assess biological, chemical, and physical data to provide information for basin-wide planning.

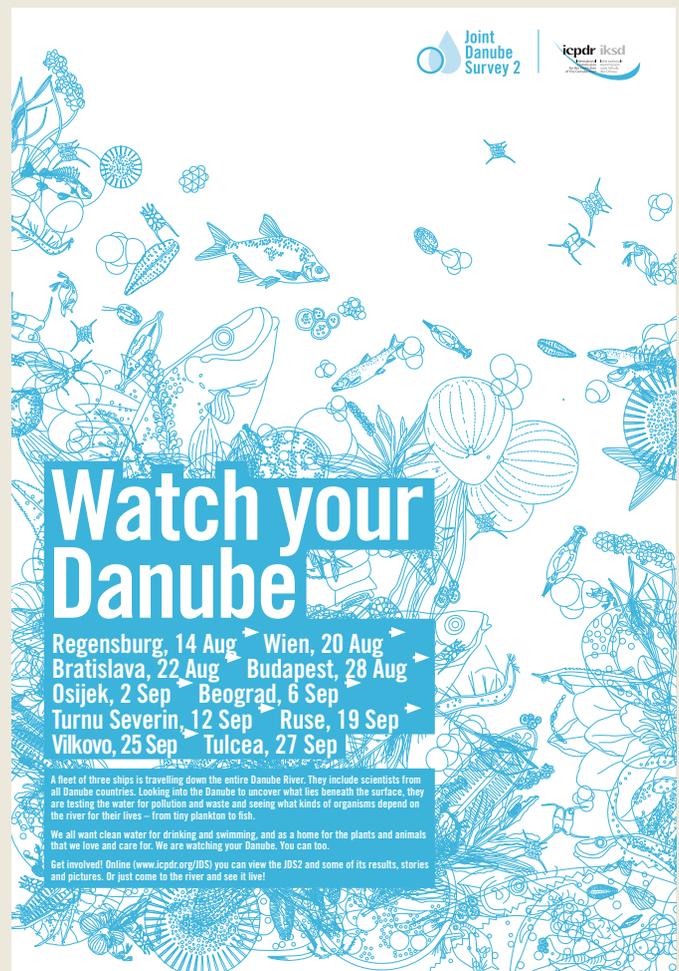
This grant also included financial support for the development of this handbook and for a public ecological awareness campaign on water quality and pollution reduction issues.

The campaign disseminated information on best practices and lessons learned on using water quality monitoring data to communicate with different internal and external stakeholders within the Danube River Basin.

The Alcoa Foundation also pledged USD 75,000 of funding for 2006-2007 to assist with the implementation of the ICPDR's second 'Joint Danube Survey' (JDS 2), a vessel-based assessment of water quality over the entire Danube River, carried out in the summer of 2007.

JDS 2 is an opportunity to strengthen the recognition of the Alcoa Foundation's commitment to the community and to effective environmental protection.

The overall objective of the JDS 2 is to undertake an international longitudinal ship survey that would produce comparable and reliable information on water quality for the whole of the length of the Danube River including the major tributaries. The outcomes of the JDS 2 should include information needs arising from the implementation of the WFD, and the specific objectives of this grant fit within the area of excellence 'Conservation and Sustainability'. The Alcoa Foundation representatives were invited to participate in the media publicity events along the survey.



3. Outreach and awareness raising

3.1 Towards long-term solutions for sustainable navigation

Navigation has significant influence on river ecosystems, jeopardising the goals of the EU Water Framework Directive (WFD), which aims for the “good ecological status” of all waters by 2015.

Recognising this potential conflict, the ICPDR has joined the Danube Commission and the International Commission for the Protection of the Sava River Basin to initiate an intense, cross-sectoral discussion process, which led to the development of the ‘Joint Statement on Inland Navigation and Environmental Sustainability in the Danube River Basin’.

This statement summarises the principles and criteria for environmentally sustainable inland navigation on the Danube and its tributaries, including the maintenance of existing waterways and the development of future waterway infrastructure.

The Joint Statement will be presented for approval at the 10th Ordinary Meeting of the ICPDR, in December 2007.

3.2 ICPDR publications

Danube Watch, the magazine of the ICPDR has been published 2-4 times per year since December 1994, and reaches about 40,000 regular readers among decision makers and the interested public.

Since 1999, the ICPDR has issued Annual Reports (1000 copies each) describing the work performed and ongoing activities as well as the ICPDR budget and financial contributions. In 2004, a special report, ‘Active for the Danube River Basin - 10 years of Cooperation in the Danube River Basin’, was published.

The ICPDR launched an important new form of raising public awareness in 2004 in the form of Danube Day, held 29 June of each year. Each year, hundreds of national and local events are organised in each basin country by governments, NGOs and other interest groups.

The general character of the Danube Day activities is light-hearted and celebratory and Danube Day increases the awareness among citizens and stakeholders alike of sharing one river basin and depending on each other, stimulating Danube solidarity (“everybody lives downstream”).

A Danube Day website was launched; presenting information on activities in all the different Danube River Basin countries organised by different partners and linked to national websites providing information on Danube Day activities (<http://www.danubeday.org>). The ICPDR’s Danube Day webpage has an enormous number of users (12,000 page views in February 2007).

Looking back on successful Danube Day events, there is a strong hope that the annual celebration of Danube Day will further stimulate Danube solidarity and become a vital link between the people sharing the river basin.

Danube Day events also strongly reflect important progress in public accounting. The International School Competition ‘Danube Art Master’, also carried out in all 13 Danube River Basin countries, became a very successful youth competition inspiring personal experiences with Danube nature. In 2004, about 2000 kids were involved, and the number increased to 4,000 in 2006.

Transparent and direct information through dialogue is crucial for a successful cooperation. The ICPDR provides updated information to the interested public about ongoing activities in the frame of the implementation of the WFD and other main activities, projects or basin wide initiatives aiming to raise awareness and stimulate people and organisations to take on responsibility in the process of implementing joint programme of measures.

The ICPDR Information System (DANUBIS), set up in 2000, with approximately 800 users, serves as the platform for work under the DRPC by the Contracting Parties, the Expert Groups and scientific community involved in Danube related issues, as well as for informing the general public about the activities of the ICPDR.



3.3 Joining forces – a network of public participation experts

In order to ensure that public participation activities are carried out in a concerted way throughout all Danube countries, the ICPDR developed a network of national public participation experts. These experts ensure that activities carried out at the ICPDR level complement national public participation efforts.

Special support was given to the NGO community via the UNDP/GEF grant programme: The NGO platform Danube Environment Forum (DEF) was founded, and today has 170 members; furthermore, over 120 small grants were given to local and international NGO projects throughout the basin.

With the assistance of the DEF, the ICPDR established a network of journalists (print media, electronic media, TV) interested in water management and serving as multiplier for the ICPDR efforts throughout the basin.

3.4 Sharing lessons:

Cooperating with other river basins and water commissions

The ICPDR is a recognised leader in collaborative water resources management – and other countries seek out the ICPDR's expertise and assistance.

The ICPDR hosts visits from around the world and also sends representatives abroad to help with new initiatives. The visits to the ICPDR Secretariat have included high-level officials from China – the Yellow River Basin, the Mekong Basin and the bi-national commission for the rivers in Central Asia. Key conferences attended by ICPDR representatives include the Rosenberg International Forum, the Conference on Religion, Science and Environment, the International Water Association (IWA) conference in China and the Public Hearing at the Mississippi River Commission.

Resources have been further devoted to publish information about the ICPDR and the Danube, or support publications of UNDP (especially about GEF intervention in the Danube). ICPDR staff and Commission members have also been included in consultancy proposals in support of other river basin commissions.

Active learning is done through direct interaction with representatives, such as from the Elbe Basin (accidental pollution response), Rhine Basin (hydromorphological alterations and cooperation with navigation), GEF International Waters - IW Learn (management of river basins and technical aspects of RBM) and the French GEF (WFD and technical aspects of RBM).

The ICPDR actively cooperates with a number of commissions on specific subjects. These include the new International Sava River Basin Commission (for a sub-basin of the Danube) formed with assistance from the ICPDR and working cooperatively with the ICPDR to develop a Sava River Basin Management plan.

Together with the two Rhine commissions, the ICPDR and the Danube Navigation Commission signed a Memorandum of Understanding outlining cooperation on issues related to navigation and environmental protection.



4. Sustainability: innovative planning, creative problem solving and new ways of cooperation

The ICPDR's work is centred on partnership and cooperation. Business and industry have a major impact on the environment and life of the Danube Basin. The ICPDR is eager to ensure that this is a positive impact by working with industry and business to change practices to reduce Danube pollution.

4.1 Potential mutual benefits from partnerships for ICPDR and business

A partnership involves two or more parties working to achieve common interests and goals. Why should the ICPDR develop partnerships with business? What are its motivations and what benefits will it receive?

The simple answer is that the ICPDR needs all of the Danube's key stakeholders to help get its job done right. Business, or the private sector, is a key stakeholder – confirmed in stakeholder assessments conducted by the ICPDR in 2003 and 2005. Businesses use water, move water, impact water, and in some cases, are involved in providing clean drinking water or treating wastewater for Danube municipalities.

The main job of the ICPDR, as noted earlier, is to assist Danube countries to meet their legal obligations, especially the Danube River Protection Convention (DRPC) as well as the EU Water Framework Directive (WFD), and to ensure that development in the basin is sustainable.

Sustainable development, as originally defined by the Brundtland Commission in 1987, is the requirement to meet the needs of the present without compromising the ability of future generations to meet their own needs.

For the ICPDR, fulfilling its mandate requires that it works on the right issues and comes up with the right measures and solutions to address those issues. What is 'right' to a large extent has to be understood by and agreed upon with the Danube River Basin's main stakeholders. As a Danube stakeholder, business can make problems worse or contribute to solutions -- it can either help the ICPDR, or hinder it.

One thing that business must do is complying with laws and regulations at all levels – local, national and international, including the DRPC and WFD.

Beyond mere legal compliance, however, business can implement a wide variety of actions to demonstrate its corporate social responsibility (CSR), voluntarily assisting the ICPDR and Danube countries in their efforts acting as a true and committed Danube stakeholder.

CSR is closely linked with the principles of sustainable development which argue that enterprises should be obliged to make decisions based not only on financial and economic factors, but also on the social and environmental consequences of their activities.

Business can implement CSR related to the environment and water through four key roles:

- participating stakeholder
- environmental manager
- innovator
- funder.

Now for the other side – why should business develop partnerships with the ICPDR? What are its motivations and what benefits will it receive?

Just as the ICPDR needs to cooperate with business to do its job right, it's also in the interest of business to cooperate with the ICPDR and its many stakeholders to fulfil its main goals. Hopefully, that main goal goes beyond merely making profit to being responsible and meeting the 'triple bottom line' of economic, social and environmental success. Acting as a participating stakeholder, environmental manager, innovator or funder can also help business with its own strategies and goals.

Business as participating stakeholder

Stakeholder participation in planning and implementation efforts begins with information. Stakeholders must be aware of the threats and problems, as well as of alternative solutions, to be able to effectively contribute to discussions and assistance. To help ensure private sector participation, the ICPDR regularly informs companies and business associations about its plans and activities and the issues affecting water in the basin, such as new international legislation affecting water users. Key ICPDR information vehicles include its website and 'Danube Watch' magazine.

Businesses also have ample opportunities to participate in multi-stakeholder discussions geared towards defining threats and solutions, as well as forums dealing with decisions and policies that could affect their operations. To this end, the ICPDR has given observer status to some specific business association representatives, such as Powertech and Die Donau, at key ICPDR forums and expert groups. Observers are granted full rights in participating at all meetings.

In some cases, the ICPDR has actively sought out the participation of specific businesses or private sector representatives to participate in some of its activities, especially where private water users have a direct impact on the Danube environment. For example, representatives from the navigation sector were recently encouraged to participate in expert discussions related to reducing the risks from physical interventions, such as dams and navigation canals, to the Danube River and its tributaries. This was part of the ICPDR's ongoing process required to meet the early requirements of the EU Water Framework Directive.

The ICPDR coordinates environment assessments and monitoring of Danube Basin waters, and periodically prepares, compiles and evaluates basin information – such as pollution inventories, including

industrial discharges, water quality data, and other useful information required by regulators and companies in the compliance and enforcement processes.

The ICPDR also enables capacity building and policy development by supporting the transition from communist central planning and degraded environment to efficient and integrated basin management to EU standards; facilitates EU accession; transfers knowledge to basin stakeholders and attracts donor service to sustain investments.

Stakeholder forums provide businesses with opportunities to better understand the views of others and to cooperate with other stakeholders to avoid future conflicts that might be bad for business. For example, an ICPDR multi-stakeholder forum could provide an NGO with an opportunity to present a threat perceived to be caused by a company, and the opportunity to try to work out an agreement with the company before influencing a local community to protest.

Business also includes all of the hundreds and thousands of employees working on the ground at and between local operations, factories, mills and mines. These workers are also stakeholders who have the right to be informed and participate in planning for the future of the river basin in which they work.

Finally, it's important to know that many individual companies may find it easier and more efficient to belong to an association of companies that represent them in partnerships with organisations such as the ICPDR. This is especially true when companies want to be represented in decision and policy-making forums. The association will typically include companies involved in similar types of operations, such as the production of energy.

Business Involvement in Water Management

Reasons why business should partner with the ICPDR can be linked to why business should be involved in water management issues at all. An excellent answer to this question came from George H. Kuper, former President of the Council of Great Lakes Industries (CGLI), during his speech at the Managing Shared Waters International Conference in Hamilton, Ontario, Canada in June 2002. The CGLI is an organisation of companies and trade associations with business interests in the Great Lakes Basin and a long commitment to supporting environmental protection.

In his address, Mr. Kuper said the following: "Business has four basic reasons for being involved in water management issues: Industry is keenly interested in achieving sustainable development. Industry contributes to the infrastructure that moves water. Industry provides the processes that make water usable. Industry uses water in its own processes, whether it is in agriculture, energy production, and manufacturing or as an essential ingredient in products. Business is the application of capital, technology, raw material (physical and/or intellectual) and people in some combination that creates a good or service. That good or service is in anticipation and fulfilment of a demand. A capitalist system requires demand to be manifest by money – public or private – to pay for it. In order to make sure worldwide water needs are being responded to, money has to be available to underwrite the response. Fulfilling water demand, particularly among those poor populations in need of additional water resources, therefore becomes a critical goal of sustainable development policy."

Business as Water Provider

The question of whether, and to what extent, business should get involved in providing and cleaning water is controversial but growing in importance. Past experiences across the globe have had both positive and negative results.

On 8 September 2006, Don Lowry, President and Chief Executive Officer of EPCOR, offered some insight from the business side. EPCOR is a major private power and water company and Canada's sixth largest utility by revenues which totalled CAD 2.7 billion in 2005. During the 5th Biennial Rosenberg International Forum on Water Policy, he spoke about the roles of the public and private sectors in providing clean water and developing and maintaining sustainable water and wastewater systems.

Lowry noted that Canada's water systems are now seriously challenged by growing populations, declining infrastructure and inadequate watershed protection practices. In Ontario alone, some 30 to CAD 40 billion of new investment is required in water and wastewater facilities. This, he said, obliges Canadians to make significant changes to their water system strategies. One key response is that customers of water and wastewater services should fund their full cost of building, operating and maintenance, thereby sending a signal that water is not free and therefore has a value. Another is to build strong and well-structured partnerships between governments and the private sector. "Neither the public nor the private sector can deliver effective results alone," he said. "Working together, well-structured partnerships can help deliver improved quality and lower costs to communities."

An effective system, says Lowry, must involve a public sector that sets a clear, rule-based regulatory regime, working in tandem with municipal and private sector players to offer sustainable and reliable water supply, open to alternative-delivery models.

The private sector can offer resources to communities that the public sector may not be able to provide. Partnerships allow the public sector to share costs and risk, while maintaining a public interest in a key, vital service. This does not mean governments should necessarily divest themselves of assets and retreat to a purely regulatory role. Rather, using its interest or ownership in water system assets, governments can ensure that pre-determined levels of service are maintained without playing a direct management and operational role. Other benefits are that the risks of cost-overruns, service demand and schedule delays can be borne by the private sector, not the taxpayer. And competitive tendering can encourage innovative private sector solutions to facility management, design and construction.

Lowry spoke of reports from the UK indicating that public-private partnerships there experienced overall cost savings of 20% compared to publicly procured operations. Only 24% of these projects were delivered late compared to 70% in the public sector. Cost-overruns occurred only 22% of the time under these partnerships compared to 73% in the public sector.

EPCOR itself has delivered positive results for many communities using public-private partnership models. On Vancouver Island, EPCOR worked with the District of Sooke to build that community's first sewer system and wastewater treatment plant for 8,700 residents. The project was completed for CAD 5 million less than budget, six months ahead of schedule and was a big step toward resolving a long-standing concern around the dumping of raw sewage into the ocean. In 2002, Edmonton, Alberta, became the first Canadian city of its size to have its drinking water protected with UV treatment through a system installed by EPCOR. Water consumption declined by 14% in Edmonton. And many of EPCOR's internal standards exceed Alberta's provincial drinking water standards, which themselves are more stringent than the national guidelines.

Business as environmental manager

Companies use water. Rivers are used as transport corridors for boats and as waste disposal sites. And water is used to produce hydro-electric energy, consumer goods and for cooling industrial operations. Use, however, is not always managed in an environmentally-friendly manner.

The resulting impacts can be highly negative for the environment, from polluting the water with chemicals to cutting off and drying out wetlands that were once rich with plants and fish.

In response, companies can take steps to improve their environmental management practices to reduce their impacts. That might mean using a more expensive but cleaner washing liquid during operations, or building a fish ladder around a dam to make sure certain fish species reach their traditional spawning grounds upstream. Other examples include using less water in bottling operations or allowing rare and endangered river ecosystems or species to function naturally without disturbance.

When setting up and planning for new operations in a new location in the Danube Basin, companies should try to understand the local environmental situation as well as the connections between local communities, the environment and the economy. The ‘triple bottom line’ is a popular term used today by companies that base their sustainability practices on economic, social and environmental factors at the same time. And local people should be involved in assessment and planning efforts.

Finally, companies can be proactive in helping to raise the local environmental awareness of their employees as well as their consumers. They can even show their goodwill by investing in local environmental improvements outside the boundaries of their plant operations, such as by planting trees or investing in a new water treatment system for a community where they do business.

The improvement of in-house environmental management practices can also lead to numerous potential benefits for the company itself. For example, cleaner production technologies and practices result in less pollution, cleaner and healthier environments and more satisfied employees, local communities and customers. Practices that are environmentally sensible often lead to efficiencies and cost savings, for example in using less pumped water. Companies that rely on continuous access to a clean source of water should be particularly committed to ensuring that their practices do not threaten a long-term sustainable resource.

Close links with industry

The past few years have seen considerable progress in the development and application of advanced wastewater treatment and sanitation technology in many Danube countries.

The establishment of appropriate design standards, the development of water-quality objectives and the imposition of more restrictive discharge licence procedures have considerably improved the efficiency of water pollution control from point sources.

The European Integrated Pollution Prevention and Control (IPPC) Directive 96/61/EC introduces a European-wide system of integrated prevention and control of pollution to secure a high level of protection to the environment as a whole. It places obligations on the Member States to introduce controls that ensure operators comply with the Directive. In this framework, a series of guidelines were developed for the application of Best Available Techniques (BAT) for four categories of the industries that fall into the IPPC Directive.

The concept of BATs plays a central role in the Directive because it provides a basis for setting emission limit values as well as the principal benchmark for determining the obligations of industrial operators in respect to pollution prevention and control.



Some countries include these requirements in their procedures for licensing wastewater discharges and checking compliance with permit conditions. In these countries, other practices related to the rational use of water in industry, trade and services are also promoted through licensing procedures, together with measures to encourage the public to conserve water and to recycle materials, which can safely and usefully be reused.

Different economic incentives and deterrents are used in the Danube countries to promote the rational use of water, the prevention of pollution at the source and efficient and reliable wastewater treatment and sludge disposal practices.

Implementing the TEST project in the Danube River Basin during 2001-2004 was an overwhelming success. The ICPDR cooperated with the United Nations Industrial Development Organisation (UNIDO) to assist industry to comply with or even to go beyond environmental standards while enhancing its competitiveness in the priority pollution hot spots in the Danube basin.

The TEST approach addressed industry's environmental management in an integrated and systematic way. It considered key components of any business and provided tools for their optimisation with particular focus on environmental issues and performance. TEST tools and the management pyramid included the Environmental Management System (EMS), Cleaner Production Assessment (CPA), Environmental Management Accounting (EMA), Environmentally Sound Technology (EST) and Sustainable Enterprise Strategy (SES).



The TEST project analysed problems in their economic, social and environmental complexity and used the IPPC and BAT approaches. It led to the creation and strengthening of Cleaner Production Centres in five Danube countries: Bulgaria, Croatia, Hungary, Romania and Slovakia.

Business as innovator

It's common knowledge that the private sector is the place where many new, innovative and practical solutions are developed to answer both old and new problems. It often has the financial, technical and human resources to research and develop new needed technologies.

If a company decides to become a good environmental manager, then it's often the case that it will take steps to improve its onsite environmental practices – for example, to reduce its waste going to local water bodies. The first step may be for it to develop new innovative technologies or practices. Once the changes are implemented and prove effective, the company can then multiply the positive effect by marketing them to other companies with similar operations, and increase revenues at the same time.

Markets thrive on innovation. So if there's a new product, technology or practice that will fill a gap and achieve needed results faster, cheaper or more effectively, it will soon be in hot demand. Whether it's coming up with a faster way of informing downstream communities about floods, or improved storage facilities for farmed livestock manure – if sales and revenues go up, that's good for a company's economic bottom line.

For the Danube River Basin, private sector help in providing advanced river basin management tools, new technologies, tested best practices and management approaches is essential. In many cases, business can help make water more available and useful, or to better move water to its point of use. Examples include improved water sampling and monitoring equipment, mathematical models that can help answer multiple simultaneous questions, advanced agricultural fertiliser application systems and large wastewater treatment facilities. A concept on the Best Agricultural Practice (BAP) has been developed and tested by the ICPDR for the agro-industrial units of

the Danube Basin. Wastewater from agro-industrial units (manure like slurry, solid manure, urine or compost) should only be discharged if wastewater volume and pollution load are minimised by application of manure on farmland according to the principles of good agricultural practice and by in-plant measures using best available techniques.

The ICPDR supports Danube countries to define strategies for ensuring the continuation of current efforts towards reducing nutrients in the Danube River Basin through controls on phosphate levels in detergents. The reduction of phosphate in detergents could have a significant influence on the decrease of nutrient loads in the Danube particularly in the short-term before all countries have built a complete network of sewers and wastewater treatment. Some Danube countries have already initiated legal bans, such as Germany and the Czech Republic, or have voluntary bans, such as Austria and in some part Slovenia.

Danube countries agreed that there is an urgency for actions at the national level and recommended that the priority countries identified as having the highest population and high phosphate detergent use (Bulgaria, Croatia, Hungary, Romania, Serbia and Slovakia,) should examine mechanisms to reduce this through either legislative action or voluntary agreements with industry.

This is one reason why it makes sense for the ICPDR to encourage business innovation – to help open up doors to new technologies and approaches that will help fulfil its mandate.

Business as funder

Last but not least, the ICPDR's activities cost money. While its core costs are primarily covered by the Contracting Parties to the DRPC, the ICPDR also conducts numerous additional studies and projects to help fulfil its mandate, and these also cost money.

New research may require the use of a vessel for sampling Danube waters. New information about wetlands may need to be collected and developed into usable materials such as reports and CD-ROMs and then distributed to target audiences across 13 countries. Special workshops may involve representatives from different sectors getting together to find a common solution to a common threat. Training for government staff may be needed to learn how to apply new imported technologies to local situations. And BAPs that reduce nutrient pollution could be broadly presented and encouraged among Danube farmers.

Many of the above actions may in fact end up being measures that will need to be implemented to meet the legal requirements of the WFD by 2015. The programme of measures needs to be determined and agreed upon as part of the Danube River Basin Management Plan that the ICPDR is mandated to help develop by 2009. The ICPDR is therefore looking to the private sector for financial assistance to support such measures, especially those that are transboundary in nature. It is crucial to involve business in the development and implementation of any business measure or activity undertaken, especially if it has a possible implication for business operations.

Companies also provide funding directly to key stakeholders in Danube countries themselves. This could include the funding of activities, such as local water quality improvements, carried out by national and local governments, NGOs and even local communities .

In some cases, large companies have created separate foundations or funds that become the company's chief vehicle for funding projects geared to meeting its CSR objectives. In many cases, the foundation's funds are made available to organisations and projects that best fit the company's values and business interests.

Business as Model Example

To sum up, if a business goes above and beyond what it is obliged to do by complying with all laws and regulations by actively participating as a Danube stakeholder in ICPDR forums, improving the environmental management practices of its operations, engaging its community residents and employees to better understand and protect the local environments in which it operates, developing innovative technologies and approaches to help assess or improve the Danube environment, financially supporting special ICPDR activities, as well as measures needed to meet the EU Water Framework Directive. Then almost automatically, the company becomes a model example for other companies to follow in the Danube Basin, and beyond the region as well.

The ICPDR is eager to have model business examples in the basin to further its cause. What better way to encourage such models than through active partnerships between the ICPDR and the businesses themselves!

From the business perspective, if a company has taken any of the above steps to assist the ICPDR in its efforts, the communication of the company's supportive activities to audiences and other Danube stakeholders will inevitably improve its visibility.

Perhaps even more importantly, the company will have positioned itself as one that cares about the environment. Therefore, if the company's operations are directly related to water use in the Danube Basin, it would make sense to help the ICPDR.

In turn, improvements to the company's reputation, goodwill, brand awareness, customer base, and of course, revenues, could follow. These will all be evidence of its corporate environmental responsibility going from words to action. It will also be seen as a credible partner by other stakeholders, committed to the sustainable development of the Danube River Basin – willing to talk, willing to listen and willing to help where possible.

5. The business case

In the previous chapter, four key activities were presented where the ICPDR and business could both benefit through business showing and implementing its corporate social responsibilities (CSR). As previously defined, CSR is closely linked with the principles of sustainable development which argue that enterprises should be obliged to make decisions based not only on financial and economic factors, but also on the social and environmental consequences of their activities.

This chapter builds on that idea by showing that there is a strong business case for integrating environmental considerations into business management systems and operations, as presented by two recent public-private partnerships. A ‘case’ is defined as a set of arguments, facts and reasons in support of or against something.

In the first example, World-wide Fund for Nature (WWF) UK recently worked with business partners such as Cable and Wireless plc to encourage business managers to better adopt sustainable development principles into their business practices and to improve their company performance in ethical, environmental and social dimensions. Their key output was a publication entitled [To Whose Profit: Building a Business Case for Sustainability](#).

The second was a partnership between the World Conservation Union (IUCN), the World Business Council for Sustainable Development (WBCSD) and Earthwatch Europe. Their output, a publication enti-

led [Business and Biodiversity: The Handbook for Corporate Action](#), “makes the business case for integrating biodiversity considerations into corporate management systems” and presents proof that “biodiversity can be associated with good environmental, economic and social performance.” In fact, one of the main objectives of WBCSD is to develop and promote the business case for sustainable development.

Each partnership acknowledges that today more companies are increasingly concerned about how sustainable development issues affect how they run their business. [To Whose Profit](#) notes that many companies are increasingly pressured to:

- Extend their roles into areas traditionally occupied by government
- Support more sustainable patterns of resource consumption
- Shift from traditional technologies to less damaging ones
- Accept responsibility for their impact on society and the environment
- Demonstrate their wider accountabilities through increased reporting
- Seek endorsement from stakeholders for their actions.



Nonetheless, both partnerships further found the vast majority of companies still tending to view sustainable development issues as a diversion from their mainstream activities. To reverse the trend, managers need to be presented with a business case for sustainability, showing how it can improve business performance with a focus on potential business benefits as a key driver, presented in business terms such as investment needs, costs and economic return.

Managers that ignore ethical, environmental and social issues may destroy value through the inadequate management of risk, or limit value through missed opportunities. According to the [Handbook for Corporate Action](#), a company's position in the marketplace, and indeed its profitability, can be threatened by risks such as:

- [Challenges to its legal license to operate](#)
- [Disruption of its supply chain](#)
- [Damage to the brand image](#)
- [Consumer boycotts and campaigns by environmental NGOs](#)
- [Fines, third party claims for environmental damages and future environmental liabilities](#)
- [Lower ratings in financial markets](#)
- [Poor staff morale and reduced productivity.](#)

On the other hand, addressing the issues can lead to conserving value through protecting existing business interests and controlling operational impacts and risks, as well as creating new value through opening new opportunities for new products or improving cost efficiencies. "Good management always turns risks into opportunities," says the [Handbook for Corporate Action](#).

Road Maps for Business Cases

Both partnerships provide managers with guidelines to make a business case.

To Whose Profit offers a six-step 'route map':

1. Understand the company's significant environmental and social impacts
2. Identify key issues for stakeholders
3. Establish where threats and opportunities might come from
4. Identify key actions to create and conserve value
5. Highlight actions with strategic implications
6. Test key actions for inclusion in a strategic business case

The [Handbook for Corporate Action](#) also offers a 'road map' to develop an action plan to incorporate biodiversity conservation into activities:

1. Make the business case for biodiversity
 2. Identify a senior-level biodiversity champion
 3. Carry out a biodiversity assessment
 4. Secure board-level endorsement
 5. Develop a corporate biodiversity strategy
 6. Develop a corporate biodiversity action plan
 7. Implement the corporate biodiversity action plan
-

At the same time, the benefits of a sustainable development approach are often intangible or indirect, with cause and effect often difficult to demonstrate in business terms. Nonetheless, there is ample evidence of links between ethical, environmental and social performance and overall business performance, so the business case is demonstrable and integrating sustainable development into business practices can generate benefits. Examples from the [Handbook for Corporate Action](#) include:

- [Securing the license to operate](#)
- [Strengthening the supply chain](#)
- [Bolstering stakeholder relationships](#)
- [Appealing to ethical consumers](#)
- [Ensuring sustainable growth](#)
- [Attracting socially responsible investors](#)
- [Improving employee productivity.](#)

As an example, Starbucks, the highly successful US coffee house chain, has coffee-sourcing guidelines for purchasing beans that have been grown by suppliers who meet strict environmental standards.

To [Whose Profit](#) also presents several notable success stories such as:

- [Volkswagen reported a link between their high standards in environmental performance and overall business performance in several areas including conditions offered by banks and insurers and water cost reductions.](#)
- [Suez-Lyonnaise des Eaux introduced cost-efficient ways of designing and implementing water and wastewater treatment systems in developing countries.](#)
- [Through integration of ethical and environmental concerns, the Body Shop experienced a 900% growth rate from 1987-1996.](#)

6. Partnerships between the ICPDR and businesses

The ICPDR has turned to other businesses in the past for financial and technical support and partnerships – with Coca-Cola, for example. In each partnership, both sides have learned lessons, most good and some not so good. As its experience base expanded, the ICPDR was able to build an initial set of principles and guidelines for developing future partnerships with business. The ICPDR also created the unique concept for a ‘Business Friends of the Danube Fund’.

This section includes case studies of past and current partnerships between the ICPDR and the following businesses:

- Coca-Cola System
- the detergent industry

6.1 Coca-Cola System

Company background

Coca-Cola Hellenic Bottling Company (CCHBC) is one of the largest bottlers of non-alcoholic beverages in Europe. Now operating in 28 countries, CCHBC was created in August 2000 with the merger of the Hellenic Bottling Company S.A. and Coca-Cola Beverages plc. It is one of The Coca-Cola Company's (TCCC) key bottlers. It produces, sells and distributes Coca-Cola, the world's leading, branded non-alcoholic beverage in terms of sales and volume, as well as many other products including soft drinks, juices, water, sports and energy drinks and ready-to-drink beverages such as teas and coffees. CCHBC has over 41,000 employees and operations in the Danube Basin countries of Austria, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Moldova, Montenegro, Romania, Serbia, Slovakia, Slovenia and Ukraine.

TCCC has operations in more than 200 countries and a workforce of approximately 55,000 employees. Within the Danube Basin, TCCC operates in Germany.

Company, conservation and sustainability

The commitment to social responsibility is underpinned by Citizenship@Coca-Cola -- the joint statement of commitment and operating principles signed by TCCC, CCHBC and other key Coca-Cola bottlers. The Citizenship@Coca-Cola platform is built on four key areas, one of which, ‘environment’, commits the company to “conducting its business in ways that protect and preserve the environment, and integrating principles of environmental stewardship and sustainable development into our business decisions and processes”. The concept of Corporate Social Responsibilities (CSR) is also embedded in the company's mission and values.

CCHBC

For CCHBC, the ‘environment’ is identified as one of four key areas where the company tries to manage its impacts including improving water efficiency, reducing emissions and protecting biodiversity. CCHBC also has a ‘Social Responsibility Committee’ that oversees the company's policies and progress in pursuing CSR goals.

CCHBC regularly engages with a number of stakeholders to help implement CSR. Governments and regulatory authorities make up one key stakeholder group. The company also belongs to over 200 organisations and partnerships, often devoted to CSR and sustainable development.

CCHBC recognises that water is the most important ingredient in its products and is also essential to its manufacturing processes. “Poor water management could potentially threaten the company's physical and social license to operate,” notes its Social Responsibility Report 2005. Successful measures taken recently include:

- Achieving international environmental management system ISO 14001 certification at 54 of 79 bottling operations
- Improving company water efficiency by 12% from 2002-2005
- Aiming to discharge only treated wastewater into the natural environment – by 2005, 90% of its wastewater volume was treated
- Providing tens of thousands of litres of drinking water to flooded communities in central and eastern Europe
- Supporting broad environmental conservation and education initiatives in host communities
- Undertaking water conservation projects – for example, a water optimisation programme in Nigeria geared to improving plant water efficiency and wastewater treatment, protecting local communities and benefiting watersheds.

TCCC

TCCC defines three ‘principal environmental challenges’: water, packaging and energy and climate protection. It also sets performance targets for their core operations – the 25 company-owned concentrate facilities – in the areas of water, energy and climate, as well as solid waste and recycling.

In 2005, the company reported an improvement in water efficiency by four percent. However, changes in the product mix could make production operations more water-intensive in the future. Also in 2005, comprehensive assessments of water risks were completed at 811 bottling plants.

TCCC works with its bottling partners to implement and enhance effective wastewater treatment and conservation processes to achieve compliance with strict internal standards which often exceed applicable laws. In 2005, it stood at 81 percent compliance with the requirement for an on-site effluent treatment facility in bottling plants, with a target of 100 percent compliance by 2010.

Last year, the company helped develop a new global, multi-stakeholder platform, partnering with the Emory Global Center for Safe Water, Millennium Water Alliance, the United Nations Foundation, UNICEF, the US Centers for Disease Control and Prevention, the Wallace Genetic Foundation and others to found the 'Global Water Challenge'. This coalition aims to provide safe drinking water, sanitation and hygiene education in the developing world. The first programme of the Global Water Challenge, Water for Schools, is focused on providing water and sanitation to many schools in Kenya's Nyanza Province.

Partnership with the ICPDR

On 1 June 2005, TCCC's European Union Group, CCHBC and the ICPDR signed a Memorandum of Understanding.

Through this, they agreed to form a partnership to "conduct a range of preliminary activities with the aim of promoting public awareness and involvement in projects to conserve and protect freshwater ecosystems relating to the Danube River and the Danube River Basin". The partners also agreed to apply their expertise, technological capabilities and financial support to protect the freshwaters and environment of the Danube Basin, and to educate and engage others about best practices to stimulate water conservation.

For promotional and communications purposes, the partnership's name is 'The Green Danube' with the provisional sub-title of "Our rivers are everybody's responsibility".

With regard to specific objectives, the partnership seeks to:

- Contribute to halting and reversing the loss of freshwater species and habitats, and the disruption of water-related ecological processes.
- Contribute towards the economic and social well-being of communities through aquatic ecosystem management that improves access to and availability of freshwater for drinking, food production, energy generation and other uses.
- Assist in maintaining the highest quality standards in the delivery of foods, beverages and other products, also in connection with their production, to ensure safety for consumers.
- Heighten the efficient use of water through innovation and leadership.
- Boost water stewardship through participation in strategic affiliations that focus on the dissemination of educational materials and the creation of innovative projects that are aimed at increasing understanding of and participation in freshwater conservation endeavours.

The Memorandum of Understanding included further provisions to:

- Develop activities and products that would raise awareness of the partnership at its launch on Danube Day 2005 and 2006
- Create the Danube Box -- education materials on environmental themes linked to sustainable river basin management in the Danube River Basin
- Develop a wide range of local projects focusing on water
- Achieve voluntary agreements that reduce the environmental impacts of corporate activities and expand information sharing on company efforts to protect and preserve the environment.
- Create a system of reviewing and evaluating its activities

Since the partnership between Coca-Cola and the ICPDR began, a number of international, national and local achievements have been realised.

Coca-Cola supported a number of activities linked to International Danube Day, an annual event coordinated by the ICPDR. For the 'Danube Art Master' international school competition held around Danube Day, this included providing financial support for the winners from individual Danube countries to travel to a selected capital to attend a winners' ceremony and participate in a two-day programme of Danube-related events. Funding was also provided for the development and distribution of promotional products including posters, leaflets, stickers, caps, T-shirts and a publication highlighting the diversity of activities that happened across the basin around Danube Day.

In 2005, support was provided for development of the 'Danube Box', an educational tool kit for teachers in the basin.

The need for such a tool had been expressed in earlier national workshops organised by the ICPDR in Bulgaria, Hungary, Romania, Serbia, Slovakia and Ukraine.

The Danube Box strengthens children's awareness about the river basin and their responsibilities to protect it. Targeted at students between 4th and 6th grades, the Box was tested in Austria with excellent results and over 2,000 copies distributed. It is now being produced in Bulgaria, Hungary, Germany, Moldova, Romania, Serbia, Slovakia and Ukraine through translation and adaptation to national needs.

Coca-Cola is also providing technical, legal and lobbying support for the establishment of the 'Business Friends of the Danube' fund. This fund aims to raise financial support from the business sector for activities and projects carried out under the leadership of the ICPDR. The company is also helping to build a library of high quality photographs from throughout the basin.

At the Danube country level, partnerships were extended to Austria, Bulgaria, Hungary, Moldova, Romania, Serbia, Slovakia and Ukraine for Danube Day activities. These included a wide variety of competitions, concerts, excursions, educational activities targeted at children, media relations, river cleanups and leaflets. Partnerships were created with national and local governmental authorities as well as local NGOs. In Bulgaria and Romania, activities in 2006 focused on raising awareness about flood prevention in recently flood-impacted areas. In some Danube locations, Coca-Cola employees were encouraged to participate in Danube Day events. New partnerships are also under development in Bosnia and Herzegovina, Croatia, Germany and Slovenia.

At the local level, CCHBC also aims to perform its operations following high environmental standards. The company constructed high-quality wastewater treatment plants at its operations in Serbia and Ukraine – as the first such facilities in the host countries, they are open to plant tours and education programmes. At its host community in Kostinbrod, Bulgaria, CCHBC donated over 8 kilometres of water supply pipeline to celebrate 40 years of operations in Bulgaria – a joint project with local authorities helping to provide local residents with regular supplies filtered by the plant's water treatment station.

CCHBC wants to use its know-how and share it with other water businesses at the regional and local levels in the Danube Basin. It is intended that special activities and projects will be carried out at the national level, making use of the company's past waste management experiences.

6.2 Detergent producers industry

Background

The presence of phosphates in household laundry detergents is one of the biggest contributors to nutrient pollution and eutrophication in the Danube River Basin. At the same time, alternatives to phosphates exist and are already widely used by many consumers, companies and countries in the Danube Basin and beyond.

Austria was able to go 100% phosphate-free through voluntary agreements with industry. In 2005, Germany did it through a combination of legislative and voluntary measures linked with the full cooperation of the detergent industry and public involvement.

The Czech Republic started with a voluntary agreement between the Czech Association of Producers of Soaps, Cleaning Agents and Detergents and the Ministry of Environment. Partial success was achieved with total phosphate content in detergents almost halved between 1994 and 2003. However, non-members to the agreement (those producing P-based detergents) increased their market share resulting in increased phosphate levels in 2005. In turn, the government responded by enacting new legislation.

Globally, there are many examples of voluntary initiatives by industries to reduce pollution and improve the environment. The emergence of more flexible voluntary approaches to achieving environmental objectives was in part encouraged by perceptions among industries that both 'command and control' regulation, and 'market instru-



ments', such as taxes, can impose costs and reduce their ability to compete. Also, for governments and their environmental agencies, regulation can be technically difficult and costly.

Danube Phase-Out

The ICPDR attempted to persuade detergent producers distributing phosphate-based detergents to voluntarily agree to phase out phosphate use throughout the Danube Basin. ICPDR efforts were technically supported by the UNDP/GEF Danube Regional Project.

The producers with whom the ICPDR negotiated were members of AISE, the International Association for Soaps, Detergents and Maintenance Products, the official representative body for detergent and cleaning product industries in the EU. Members are present in 28 countries including, in the Danube Basin, Austria, the Czech Republic, Hungary, Germany, Romania, Slovakia and Slovenia.

During negotiations, however, the industry's position was to oppose such a voluntary agreement. Rather, it supported 'freedom of formulation' which means that "companies should be free to formulate detergents that fit best with a specific place's consumer preferences, economic conditions and environmental situation. The environment is one important factor, but not the only one," said an AISE spokesman.

The UNDP/GEF project concluded that lessons learned in the Czech Republic demonstrated the difficulties in maintaining a successful voluntary agreement with the detergent industry without legislative back-up. In the Czech case, the agreement was between government and the industry association, and the initial success was eroded because of increasing sales of phosphate detergents by non-members of the association. Similarly, it would be difficult to control imports or the emergence of other manufacturers/suppliers outside any agreements.

Furthermore, few Danube countries outside the EU have experience with voluntary agreements. They do, however, generally follow EU legislation. There is also an indication that manufacturers prefer to await legislation. For these reasons, the project found that EU legislation to ban or reduce phosphates in detergents would be far more effective in dealing with the problem than voluntary agreements.

Industry negotiations with the ICPDR continue. Unless EU legislation can be expected in the near future, it may still be worth attempting to negotiate voluntary agreements, since even a partial success could usefully contribute to reductions in phosphate in the Danube Basin. It will also be important to promote public debate and involvement, and to monitor compliance with any agreements or legislation, possibly with assistance from NGOs.



7. Other public-private water partnerships

The following section presents a number of other examples and forms of public-private partnerships that were created to help protect and manage water and water bodies, with a focus on activities in the Danube River Basin:

- [Regional Environmental Center for Central And Eastern Europe](#)
- [Worldwide Fund for Nature](#)
- [Coca-Cola and United Nations Development Programme](#)
- [Hungarian Business Leaders Forum](#)
- [Partnerships in Environmental Management for the Seas of East Asia](#)
- [Council of Great Lakes Industries](#)
- [Australian Government Water Fund](#)
- [World Business Council for Sustainable Development](#)

7.1 Regional Environmental Center for Central and Eastern Europe

The Regional Environmental Center for Central and Eastern Europe (REC) is a non-partisan, non-advocacy, not-for-profit international organisation with a mission to assist in solving environmental problems in Central and Eastern Europe. The center fulfils this mission by promoting cooperation among non-governmental organisations, governments, businesses and other environmental stakeholders, and by supporting the free exchange of information and public participation in environmental decision making.

The promotion of partnerships with companies such as Toyota and General Electric, is integral to the REC mission.

REC and Toyota

Since 2001, through its Environmental Activities Grant Programme, Toyota has supported the ‘Green Pack’, a toolkit for teachers of environmentally themed subjects and others active in environmental education using an interactive, multi-media presentation. Developed and distributed by the REC, the Green Pack was targeted at seven countries in the Danube Basin with over 15,000 teachers trained and over 1.5 million students reached so far.

Teachers and pedagogical experts provided in-kind support for both development and dissemination – especially in the pilot phase in Poland. The teaching method is the same used in all countries while the environmental issues and case studies presented are specific to the country or region where the education is applied.

The partnership provides mutual benefits to both parties. For the REC, educating children and their families about the environmental challenges around them is directly linked to its mission. Toyota

receives high visibility through logo placements on all products and major product launches in each country. “Toyota had huge visibility through this project with significant media coverage and praise,” says REC Public Relations Manager Zsolt Bauer.

Toyota also improves its positioning among its targeted audiences in the Danube Basin. Across the globe, Toyota is positioning itself as the car company that cares about the environment, proven through its leadership in the production of hybrid energy-efficient vehicles and financial support of environmental initiatives such as the Green Box. “Toyota selected the REC because it has extensive experience and partners in the region so we were a guarantee for success,” says Bauer. “Children using the Green Box will talk with their parents creating a multiplier effect and consumers for the future.”

REC and General Electric

General Electric (GE), in partnership with the American Chamber of Commerce and the REC, held a forum in 2006 for key Polish and regional stakeholders to discuss locally relevant responses in the framework of sustainable development. The forum was a new initiative of the business sector in Central and Eastern Europe.

The audience of over a hundred key opinion leaders included members of the Polish government such as Polish Prime Minister Kazimierz Marcinkiewicz, CEOs of major companies in the country, the scientific community, civil sector and representatives of the media.

Speaking at the event, GE Chairman and CEO, Jeff Immelt said, “Since GE’s inception, its fortune as a company and its impact on society have been inextricably linked. Inventions like the light bulb, X-ray and jet engine and today’s developments in healthcare diagnostics, cleaner coal technology and renewable energy resources have, and will continue to have, an influence beyond the financials. We believe in a simple interdependence between business and society. GE is happy to have initiated Poland’s first stakeholder dialogue.”

The event also provided GE with the opportunity to showcase many of its innovative product solutions which benefit the environment such as energy-efficient lighting and non-hazardous components.



7.2 World-wide Fund for Nature

The mission of the World-wide Fund for Nature (WWF) is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature. The international NGO engages in challenging and innovative partnerships with business to provide conservation benefits which help WWF to carry out its mission, and to encourage the business sector to increase its commitments to sustainable development and environmentally sound business practices.

A number of different mechanisms are provided by WWF for developing business partnerships including:

- Conservation partners
- Corporate clubs
- Corporate supporters

'Conservation Partners' are multinational companies that contribute substantial funding to WWF's global conservation work. "WWF ensures that corporations take their corporate environmental responsibility seriously by adopting challenging targets for change in their own business, and promoting a sector-wide shift to sustainable development and corporate best practice." Partnerships are based on a balance between a number of key areas:

- The delivery of direct conservation benefits and setting of standards for environmental improvement within the business and its sector – in collaboration, both parties set key conservation targets and objectives and implement a series of monitoring and evaluation tools to keep the partnership in check
- A communication strategy designed for key internal and/or external audiences
- Joint learning initiatives to educate and stimulate environmental awareness among employees as well as to learn business practices from both parties
- Investment in WWF's global or programmatic conservation efforts



As one example, Lafarge, the world leader in construction materials, was the first industrial group to become a WWF Conservation Partner in 2000. Within the terms of this unique partnership, WWF contributes the expertise Lafarge needs to develop and improve its environmental policies and practices and to raise awareness of the importance of sustainability and biodiversity conservation. Successful examples to date include:

- 80% of 800 quarry sites have rehabilitation plans ensuring biodiversity restoration.
- Significant progress has been achieved in reducing CO2 emissions, far above targets set under the Kyoto Protocol.
- The percentage of substitute raw materials used in production of cement was 9.8% in 2004 and 50.5% in the production of gypsum in 2004.

WWF 'Corporate Clubs' existing in China, East Africa, Hungary, Poland, Russia, Thailand and the United Arab Emirates offer companies the opportunity to demonstrate their care about their nation's natural environmental heritage. Companies support WWF by providing conservation funding, promoting awareness of responsible environmental practices and setting examples for other companies to follow. Benefits received by companies include the right to communicate their support of WWF, exposure on the local WWF website, an annual message of thanks from WWF in the local press and a special shield acknowledging WWF support.

In Hungary, the Corporate Club membership fee is HUF 1.25 million (about EUR 5,000) for one year, or its equivalent in non-financial support for WWF Hungary, such as services. Examples of current Club members include the American Chamber of Commerce in Hungary, electricity utilities, graphic design companies, Coca-Cola, packaging companies, Proctor & Gamble and Unilever. Proctor & Gamble, for example, has supported the 'Forestry Monitoring Programme' which aims to halt and reverse the loss of natural and semi-natural forests and stop the reduction in biodiversity levels.

WWF 'Corporate Supporters' contribute financial support or gifts-in-kind to WWF's global conservation programme. They develop a partnership with WWF that leads to mutual benefits, not only for conservation but also in terms of marketing and communications. For example, WWF and Wallenius Wilhelmsen Lines signed a three-year agreement promoting conservation of the high seas, areas of the open ocean outside the exclusive economic zones of nation states. The agreement aims to strengthen WWF's Global Marine Programme's already extensive work on high seas conservation. Wallenius Wilhelmsen will help WWF to improve high seas governance and develop practical conservation solutions such as High Seas Marine Protected Areas.



WWF Living Planet Fund

WWF also has a global equity fund, the WWF Living Planet Fund – Equity, which invests worldwide in companies that generate above average environmental, social and economic performance and offer interesting growth potential. Investments flow to leaders – mostly large companies that offer the best environmental and/or social performance in their respective sectors – and innovators, mostly smaller and younger companies whose products and services offer proven environmental benefits and high resource efficiency.

Examples of innovators include Abengoa and FuelCell Energy, while the three largest equity positions represented are Citigroup Inc., 3M Co. and Vodafone Group Plc. Companies included in the Fund are measured against four sets of indicators: environmental policy, production processes, social behaviour and adherence to externally certified standards.

WWF One Europe, More Nature

Through its ‘One Europe, More Nature (OEMN)’ programme, WWF and its local partners are forging innovative partnerships to identify opportunities where the interests of business and nature overlap at a series of key sites across Europe. Partners involved in OEMN projects include large companies, local entrepreneurs, extractive industries, farmers, foresters, politicians and nature. Together, they develop “win-win situations where economic and ecological concerns go hand in hand, where businesses make a profit and nature’s capital is maintained or even enhanced.”

The OEMN vision states: “The ecological needs of nature are harmonised with the economic needs of people in numerous locations throughout Europe. At these locations, biodiversity and natural resources are conserved and landscapes are functioning through optimal land uses. These are founded on nature-based economic activities which generate jobs and incomes.”

OEMN has eight project sites in Europe where it puts this approach into practice. Three are located in the Danube Basin including one at the headwaters of the Tisza River, the Danube’s largest tributary, at Maramures in Romania. Here, WWF is encouraging businesses like IKEA and local authorities to only buy wood that has been certified as having been grown through sustainable forestry management standards. Also, a local bottled water company is eager to market its product as high quality, pure water from a natural catchment area. In return for such a right, the company would give a percentage of its profits to the local council for improved management of the area upstream of the water source.

//// България //// Moldova //// Україна //// Deutschland //// Österreich //// Česká republika

7.3 Coca-Cola and United Nations Development Programme

On 3 November 2006, the Coca-Cola Company (TCCC) and the United Nations Development Programme (UNDP) launched a new five-year regional water partnership in Istanbul, Turkey called 'Every Drop Counts', worth about USD 7 million. Through the partnership, Coca-Cola intends to bring its practical knowledge about efficient water use to bear on water-related development challenges in Eastern Europe and Central Asia such as pollution and improving access to clean water.

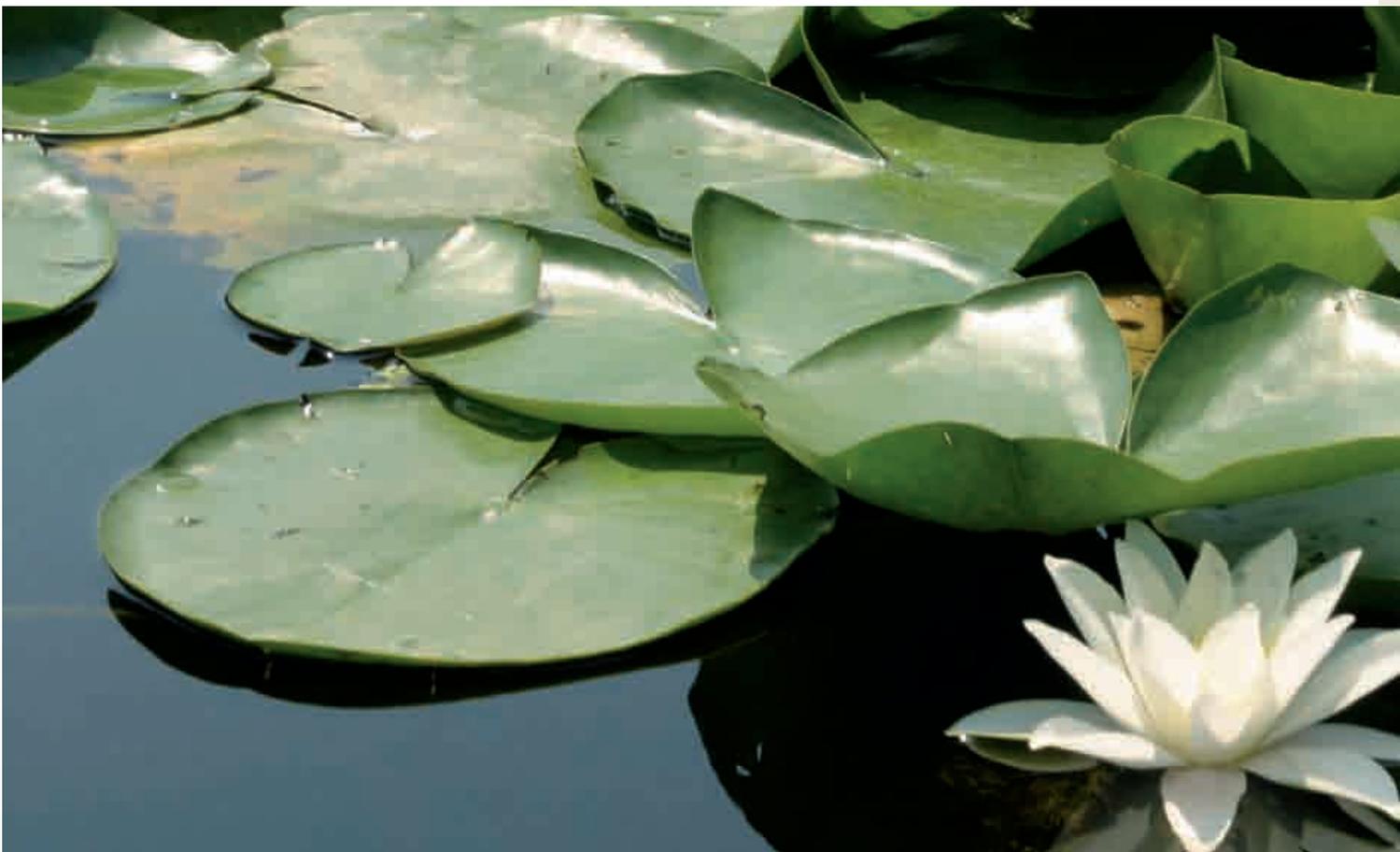
The partnership will provide financial support and technical expertise in a number of areas, from piping and cleaner industrial technologies to education and public awareness about water management, and help local communities solve water-related development problems. Targeted Danube countries include Bosnia and Herzegovina, Bulgaria, Croatia, Moldova, Montenegro, Romania, Serbia and Ukraine. An additional regional component will focus on improving industrial water uses based on water-saving techniques to be introduced in the Danube Basin.

The partnership will be managed by a steering committee consisting of representatives from UNDP and Coca-Cola. In addition to approving project selection and activities, the steering committee will support the implementation of project activities by various NGOs, local communities and institutions.

"The biggest challenge for this partnership is to make a difference which is adequate to the two big 'trademarks' - the UNDP and the Coca-Cola Company," said Gurtay Kipcak from the Coca-Cola Company. "This partnership should set an example, and be a role model of how to do business differently." The identification and selection initial partners and projects are now in progress.

'Adopt and revive the river'

One of the first projects to be approved through 'Every River Counts' is the 'Adopt and revive the river' project in Croatia. Its goal is to reduce pollution and improve wastewater treatment at one major river, for the benefit of local drinking water supplies and sustainable ecotourism, and to later multiply successes to other rivers. Starting in January 2007, the project's partners will include TCCC, UNDP, local government and tourist authorities, entrepreneurs interested in investing, NGOs and local companies. Activities include raising the awareness of pollution and clean water among local businesses, residents and tourists, and informing local companies about the rising environmental requirements of global buyers and supply chains. TCCC will share its expertise in applying environmentally safe technologies and communications and branding. UNDP expertise will focus on sustainable development issues and partnership brokering.



7.4 The Hungarian Business Leaders Forum

Established in 1992, The Hungarian Business Leaders Forum (HBLF) is a non-profit association and representative body of local business executives, local representatives of international joint ventures and other influential business people in Hungary.

Its mission is to encourage companies to integrate corporate social responsibility (CSR) and sustainable development into everyday business practise. Members of the organisation “promote responsible leadership for the long-term prosperity of their businesses and the whole of society by increasing awareness of the CSR philosophy.”

HBLF has nearly 100 members including local and international companies, small and medium size enterprises, non-profit organisations and individuals. Examples include Alcoa, Coca-Cola, Ernst & Young, IBM Hungary and Microsoft. It is in active cooperation with more than 50 partner organisations which offer opportunities for capacity-building and the dissemination of international policies and good practices. Representatives of member companies participate in HBLF efforts and projects through various working groups.

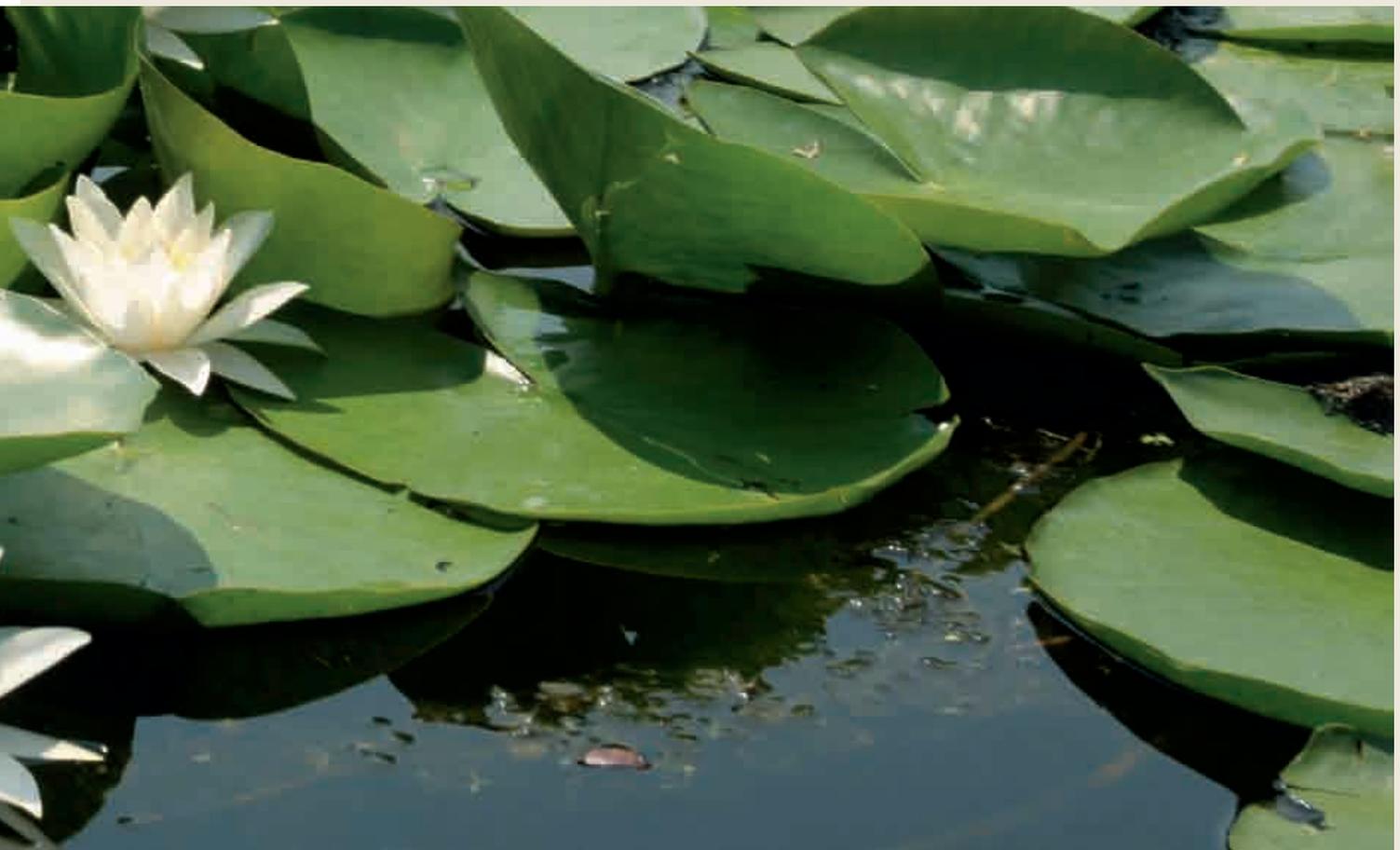
HBLF aims to:

- increase awareness of the business leader community in the role of CSR in successful business activities
- support the integration of CSR into the business processes
- encourage cooperation and networking between all stakeholders: business, government and civil society
- assist in strengthening an open and friendly background for CSR action

The Forum promotes:

- partnerships with members to implement CSR projects and achieve their goals
- opportunities for development, sharing best practices and the comparison of results in the business sector
- awareness of improved business results in CSR practice and their impact on the economy
- sustainable development practices, to establish healthier and improved conditions for future generations

Concrete examples of member companies supporting the environment include: Denso, an automobile parts manufacturer, and Alcoa working together to promote environmental education in local primary schools and kindergartens in the city of Székesfehérvár, Hungary and cooperation between Coca-Cola and the Danube-Drava National Park in Hungary.



7.5 Partnerships in Environmental Management for the Seas of East Asia

The Partnerships in Environmental Management for the Seas of East Asia (PEMSEA) regional programme involves the 12 countries of Brunei Darussalam, Cambodia, the People's Republic of China, the Democratic People's Republic of Korea, Indonesia, Japan, Malaysia, the Philippines, the Republic of Korea, Singapore, Thailand and Vietnam. Supported by the Global Environmental Facility (GEF), the United Nations Development Programme (UNDP) and the International Maritime Organisation, PEMSEA's goal is the sustainable development of the shared waters of the East Asian seas.

Global Environment Facility

The Global Environmental Facility (GEF), established in 1991, helps developing countries, and those in economic transition, to fund projects that protect the global environment. Since 1991, GEF has provided grants for more than 1,300 projects in 140 countries. The GEF International Waters focal area targets transboundary water systems including issues of water pollution, protection of fishery habitats and balancing competing water uses. GEF projects help countries learn to work together on key transboundary concerns, set priorities for joint action and to implement those actions. It plays a catalytic role in helping nations make the full use of policy, legal and institutional reforms and investments necessary to address their complex concerns.

PEMSEA forges partnerships with governments of the region, across public and private sectors of the economy, and with civil society groups, in establishing a functional framework for the management and protection of the coastal and marine resources of the Seas of East Asia. Collaborative activities between PEMSEA and various agencies, organisations and institutions include training and capacity building, site development and implementation, public awareness and communication, environmental investments and information sharing. Efforts have been made to establish partnership arrangements in support of the implementation of the 'Sustainable Development Strategy for the Seas of East Asia'.

Україна /// Deutschland /// Österreich /// Česká republika /// Slovenko /// Magyarország /// Slovenija /// Hrvatska /// Bosna i Hercegovina /// Srbija /// Crna Gora /// România /// България /// Молдова

PEMSEA Public-Private-Partnerships Project

The main goal of the PEMSEA Public-Private-Partnerships (PPP) project is to develop and demonstrate PPPs, and to encourage and facilitate private sector involvement in environmental investments. Its main beneficiaries are local and national governments in the PEMSEA region.

It is based on the principle that sustainable management of the environment requires large financial investments and that the public sector needs private sector capital for such ends. Another principle is that both the public and private sectors “can benefit by pooling resources and sharing responsibilities to develop and implement a project that is technically sound, financially viable, environmentally acceptable and affordable to users.”

It is “an innovative tool and alternative delivery mechanism that brings together the skills and resources of diverse partners in the development of environmental services and facilities at the local level, particularly for small and medium-sized municipalities.”

The project specifically strives to help create investment opportunities for environmental improvements and coastal/marine resource development and management in select areas of the PEMSEA region. The target is about USD 600 million in projects which are determined at each of the region’s integrated coastal management (ICM) sites and pollution hotspots.

Through stakeholder consultations, pre-feasibility studies and willingness-to-pay surveys, possible investments in environmental facilities and services using clean technology have been packaged into profitable projects around the region “and in the process, have turned environmental problems into lucrative enterprises”.

Specific related activities include:

- Training local government staff to prepare and develop PPP investment projects
- National level workshops that address constraints, policy options, incentives and economic instruments that can be used to leverage private sector investments
- Assisting in the process of selecting a private sector partner as well as in developing and negotiating partnership agreements
- Mobilising stakeholder support for environmental infrastructure development projects
- Providing an ‘Investors Network’ – a virtual centre linking investors, operating companies and financial and R&D institutions engaged in resource and environment-related activities with local governments
- Identifying and packaging financial opportunities in environmental services, facilities and clean technologies into ‘fast-track bankable projects’ and presenting these to all stakeholders and partners.

Examples of investor opportunities include:

- Waste prevention and management – such as toxic waste collection, sewage treatment, recycling, agricultural waste management
- Services – such as oil spill response, port development, laboratory and testing, eco-tourism, compliance audits
- Information and technology – such as modelling and forecasting systems

A specific place-based example of investment opportunities at an ICM site is in Port Klang, Malaysia. The area has a population of 839,000 people and includes the country’s largest port. Environmental investment opportunities include an USD 5 million centralised sewage treatment facility and an USD 18.5 million integrated solid waste management system.

The Klang River Clean-up Project worth USD 100.8 million in investments is a priority project of the Malaysian government. Private sector involvement in setting up facilities for cleaner production and waste management is encouraged through incentives, such as partial or total income tax relief, exemption from import duties and sales taxes and special allowances for managing hazardous waste.

China’s Bohai Sea is another site targeted for investments. The Bohai Sea is China’s only internal sea with a coastline of 3,784 km and area of 77,284 sq km, home to some 205 million people in its coastal provinces. Rapid development has brought increasing threats from pollution and over-use, which led to over USD 1.5 billion committed by the government for environmental improvement and management. The resulting Bohai Demonstration Project includes a number of environmental investment opportunities such as USD 30 million for an artificial fish reef and eco-tourism development, USD 12 million for an eco-sewage treatment system and USD 30 million for an industrial wastewater treatment and ammonia recovery system.

Success in the Philippines

One success story from the PEMSEA PPP process was the signing of a Memorandum of Agreement between the City of San Fernando, Pampanga, Philippines, and the Pro-Environment Consortium, the selected private sector partner, for the development and implementation of an integrated solid waste management system for the city in April 2004. The project aims to provide improved sanitation services to all sectors, including poor communities. It involves the collection of waste from households and commercial and industrial establishments, closure of an open dumpsite, development and operation of a materials recovery facility and composting centre, and the baling/storage of residual waste in a sanitary landfill, in concert with a social development programme.

7.6 Council of Great Lakes Industries

The Great Lakes Basin contains 20% of the world's freshwater supply and is also the world's largest concentration of freshwater in one place. It is shared by Canada and the U.S. with industry accounting for 24% of all water withdrawals. Today it could rank as the sixth largest economy in the world. Given the immense reserves of water, the resource was perceived almost as historically 'free'. For this and other reasons, the undervalued resource was often used unwisely leading to impacts such as pollution.

The Council of Great Lakes Industries (CGLI) is a non-profit organisation representing the common interests of U.S. and Canadian industrial organisations from the manufacturing, utilities, transportation, communications, financial services and trade sectors that have investments in the Great Lakes Basin. Types of companies involved include automotive, steel, paper, rubber, shipping and timber. The Council works to ensure that industry is a substantive partner in the Great Lakes region's public policy development process. Its mission is "to promote the economic growth and vitality of the region in harmony with its human and natural resources (sustainable development)". The Council is also a partner organisation with the World Business Council for Sustainable Development.

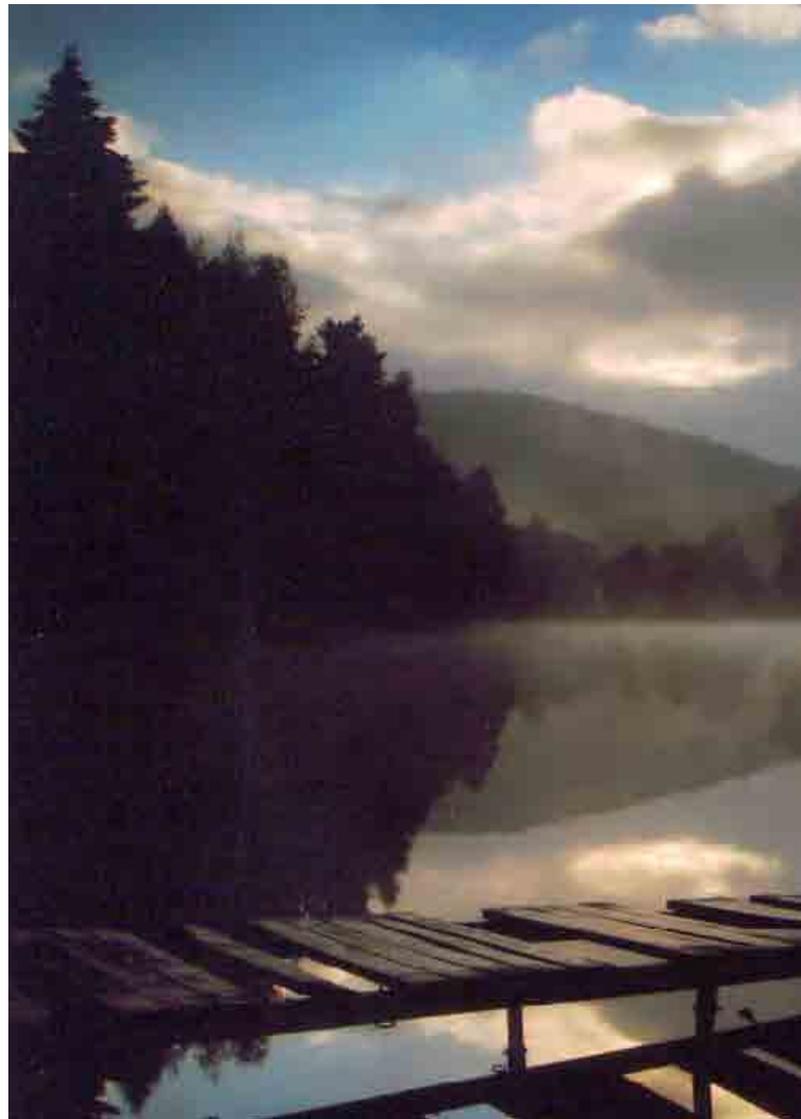
Its vision for the future, developed in close consultation with many of the basin's stakeholders, states that "the protection and responsible use of the distinctive natural environment of the region and a healthy and competitive regional economy are dependent on each other." It further "requires that policy in the region is created and implemented utilising the best science and risk/benefit principles and is based on an integrated view of economic, social and environmental safety issues."

The vision is measured by a number of criteria including fish-ability, swim-ability, drink-ability, healthy human populations, biological community integrity and diversity and physical environmental integrity, such as wetland restoration. CGLI also applies the 'precautionary approach' to decision-making and operations.

The reduction of chemical pollution is a key focus for many efforts including the 'Great Lakes Binational Toxics Strategy', which seeks to eliminate inputs of persistent, toxic, bioaccumulating and bio-available substances. CGLI also encourages companies to implement product stewardship programmes that evaluate their own products throughout their life cycles for environmental and human health impacts.

"The private business sector needs to be a partner in the design of any infrastructure in which it is or will be expected to assist governments by providing water supply products and services," said George H. Kuper, former CGLI President.

CGLI's commitment to multi-stakeholder processes is reflected through its assistance in the development of a set of guidelines to conduct such processes called the 'Boulder Principles' – now used by many multi-stakeholder efforts in and outside the basin. CGLI emphasises that market mechanisms are necessary to be able to sustainably use and manage Great Lakes waters in the future. This means getting away from seeing water as a free plentiful resource, and therefore easily wasted, to one with value and costs for use and wise use. "Improved markets are a key ingredient to advancing sustainable development," notes CGLI.



7.7 Great Lakes Binational Toxics Strategy

The Great Lakes Binational Toxics Strategy (GLBTS) is an agreement signed by the U.S. EPA and Environment Canada to take specific steps towards the virtual elimination of 16 chemicals, named as Level I substances, from Great Lakes discharges. It also seeks to reduce inputs of 21 additional Level II substances. It represents the most recent effort launched by the two federal governments to seek persistent bio-accumulating toxic substances (PBTs) release reductions to the Great Lakes ecosystem.

For substances previously banned, the strategy seeks confirmation that production and/or use is no longer practiced within the Great Lakes Basin. Specific reduction targets have been set for Level I materials still in use and/or production as well as for those which have been inadvertently produced or released as unintended by-products. For Level II substances, the strategy seeks to encourage the use of pollution prevention measures to reduce discharges and releases.

CGLI coordinates industry participation in the strategy by:

- Providing information to Great Lakes region industrial organisations regarding strategy objectives
- Collecting information regarding industrial releases of the Level I substances
- Highlighting examples of virtual elimination activities which have already taken place or are being developed
- Seeking information on additional virtual elimination opportunities, which may be available and/or identifying barriers against further progress.

This information is supplied to the EPA and Environment Canada to present industry's view of the successes that have been achieved, the potential for future progress and the barriers, which prevent full implementation of the strategy.



According to CGLI, the partnership affords CGLI and the industrial organisations which it represents the following benefits and opportunities:

- Direct access to senior level regional environmental regulatory officials, through which they can showcase and receive recognition for accomplishments
- Identification of the next steps to be taken, on a cost-effective and productive basis, to promote or accomplish the virtual elimination of Level I substances
- Identification of pollution prevention programmes already underway, or those which should be pursued, to address Level II substances and thus avoid a regulatory mandate
- Identification of alternative measures which governments may take to provide more effective results, including those which may lie outside of the industrial sector
- Identification of regulatory or policy changes which would enhance environmental improvement
- Information demonstrating why some costly measures or efforts provide no environmental benefit and should not be pursued

Successes with the Strategy

A 2005 Progress Report noted the following achievements made since implementation of the Great Lakes Binational Toxics Strategy began in 2004:

- Extensive awareness raising initiatives with industry representatives
- Industry participation in stakeholder and workgroup meetings and in substance review processes
- Development of a 'business case' for replacing electrical equipment using PCBs. The Canadian steel sector has shown significant progress here with over 90% of PCB waste storage volumes phased out since 1990
- Preparation and presentation of toxic inventory reporting papers, and cataloguing tools for chemical screening programmes
- A pollution prevention initiative at steel mills in the state of Indiana which led to an 80% substitution of mercury use in operations, equivalent to the prevention of 3,751 pounds of mercury entering the Great Lakes system
- The identification of activities to stimulate sediment remediation

7.8 Australian Government Water Fund

The Australian Government Water Fund is a AUD 2 billion Australian government programme to invest in water infrastructure, improved water management and better practices in the stewardship of Australia's scarce water resources. The fund supports practical on-the-ground water projects that will improve Australia's water efficiency and environmental outcomes. Projects that help to achieve the objectives, outcomes and actions of the National Water Initiative are eligible to receive fund assistance.

The fund comprises three programmes: Water Smart Australia, Raising National Water Standards and the Community Water Grants programmes.

The Water Smart Australia Programme was established to accelerate the development and uptake of smart technologies and practices in water use across Australia. The AUD 1.6 billion programme, with funding for over five years until 2010, targets large-scale projects. As a general guide, the minimum level of funding available through the programme for a project is AUD 1 million, and the maximum funding duration is four years.

The Raising National Water Standards Programme aims to assist the development of the necessary tools for good water management in Australia. It is managed by the National Water Commission and directs targeted investments to improve Australia's national capacity to measure, monitor and manage its water resources. It includes three strategic investment areas:

The first strategic area strives to implement the National Water Initiative through water management projects such as: water accounting (national systems, practices and standards for data collection, metering, monitoring and accounting of water) and improving the specification, registration and trading of titles, water pricing and service provision in water markets. The second includes activities such as the management of irrigation systems water, conserving high value-water ecosystems and water-sensitive urban design. The third strives to improve the understanding of Australia's water resources with activities such as understanding groundwater resources and their connectivity with surface water and the availability and state of the nation's resources over time.

The Community Water Grants Programme promotes a culture of wise water use through community engagement, awareness and investment in saving and conserving water and encouraging best practice measures and demonstrating water-wise solutions adapted to local needs and problems. It is administered by the Australian Government Departments of the Environment and Heritage and Department of the Agriculture Fisheries and Forestry. Grants of up to AUD 50,000 are available for projects related to water saving and efficiency, water recycling and water treatment for local governments, schools, sporting clubs and other community groups.

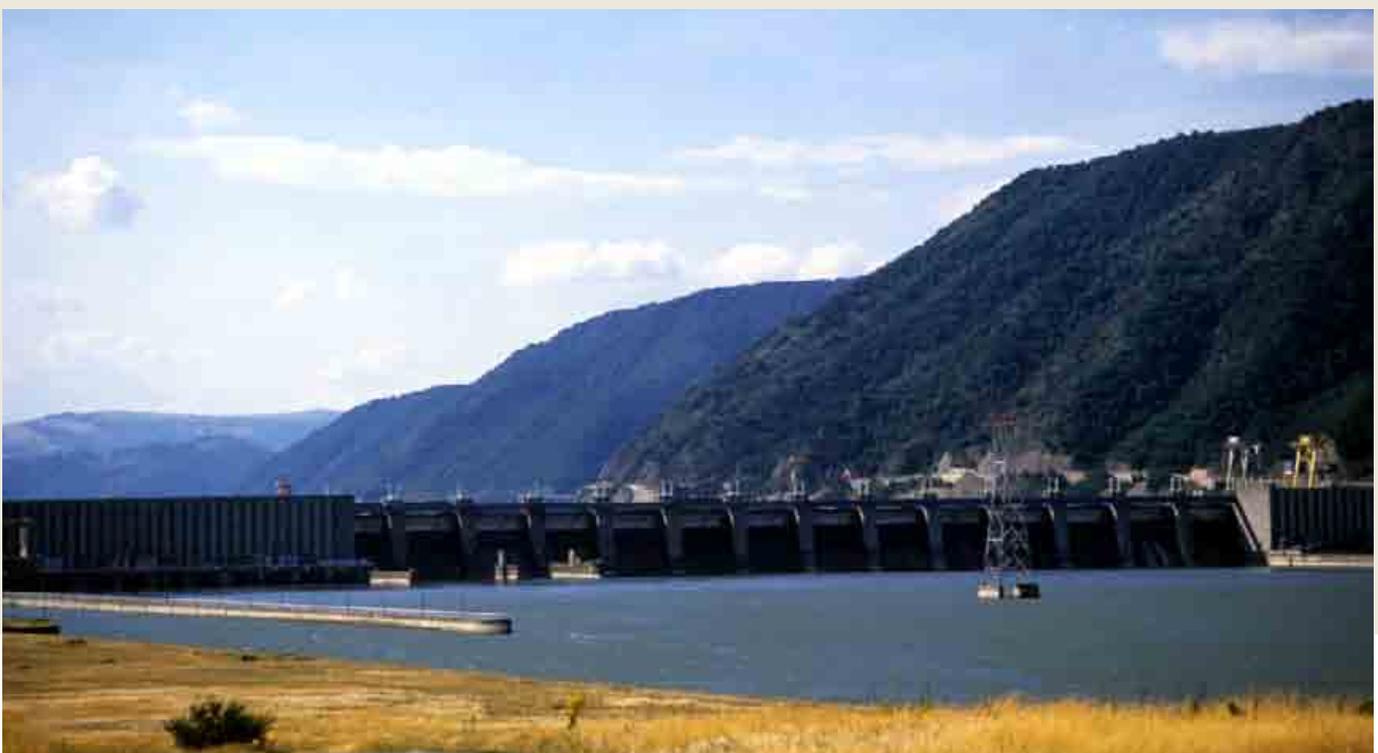
Community Water Grants received 4,532 applications for Round 2 funding and approved 1,444 projects totalling AUD 61.7 million. As a result of Round 2 projects, communities across Australia will save

a total of 9,518 megalitres of water a year and improve the health of water from a combined catchment area of 1.5 million hectares. Volunteers will contribute 560,000 hours to ensure the success of their projects and communities have raised AUD 56.8 million in cash and in-kind contributions to their projects. Round 2 projects will improve facilities used by 1.25 million people.

Water Smart Australia Programme Examples

Canberra Integrated Urban Waterways (AUD 17 million): Through this project the government will develop and implement integrated waterway management master plans to integrate stormwater capture and reuse, effluent recycling and distribution, aquifer storage, water quality management, drainage and flood management, rebuild habitats and enhance landscapes and recreational areas. Between 1.5 billion and 3 billion litres of collected stormwater will be substituted for drinking water for urban irrigation on parks and gardens across Canberra.

Sustainable Groundwater Management Across Victoria (AUD 8.5 million): The proposal aims to: enable significant improvement to the health of Victoria's aquifers while protecting those that are currently in good condition; ensure that the groundwater component of the environmental water reserve is managed efficiently and effectively; and enable improvements in water accounting, compliance with licence volumes and water sharing. Activities include developing a 'Groundwater Health Index' to provide a way to track groundwater conditions over time, and establishing Water Supply Protection Areas.



7.9 World Business Council for Sustainable Development

The World Business Council for Sustainable Development (WBCSD) brings together some 180 international companies in a shared commitment to sustainable development through economic growth, ecological balance and social progress. Members are drawn from more than 30 countries and 20 major industrial sectors. It also benefits from a global network of 50+ national and regional business councils and partner organisations including international organisations and NGOs.

Its mission is to provide business leadership as a catalyst for change toward sustainable development, and to support the business license to operate, innovate and grow in a world increasingly shaped by sustainable development issues. Objectives include:

- **Business Leadership** - to be a leading business advocate on sustainable development
- **Policy Development** - to help develop policies that create framework conditions for the business contribution to sustainable development
- **The Business Case** - to develop and promote the business case for sustainable development
- **Best Practice** - to demonstrate the business contribution to sustainable development and share best practices among members
- **Global Outreach** - contribute to a sustainable future for developing nations and nations in transition

The WBCSD Water and Sustainable Development Programme aims to enhance understanding in the business community of critical water issues while actively promoting mutual understanding between business and non-business stakeholders. Engaging leading companies representing a broad spectrum of activity, the programme is focused on the role of business in sustainable water management and on strengthening the foundation for effective business action.



The Water Working Group launched a scenario planning process, with the participation of non-business stakeholders, to develop alternative narratives on how water issues, such as those related to climate change, might evolve over the next 20 to 25 years. In August 2006, a series of scenarios was developed entitled Business in the World of Water - WBCSD Water Scenarios to 2025.

“Scenarios offer a framework to assess and evaluate business practices and strategies. They can also provide a platform for structured dialogue. One key element that emerged from our work is business water security – which depends on the understanding and valuation of ecosystem capacities and services, but also the fair allocation of water between all stakeholders”, comments Jürg Gerber, WBCSD’s Chief Operating Officer.

Jeroen van der Veer, CEO of Shell, one of the WBCSD member companies involved in developing the report, says “These scenarios highlight the complex interrelationship between water, energy and food security and the need for a holistic approach to water management. This is particularly relevant for companies like Shell, which depend on water for energy production and have a duty to maintain the water quality that is involved in its operations.”



WBCSD 'Collaborative Actions'

Another recent output from the WBCSD was a publication entitled Collaborative Actions for Sustainable Water Management, which identifies steps that businesses can take, in interaction with other stakeholders, to ensure sustainable water management. The actions are supported by case studies demonstrating how companies are working in collaboration with communities and governments. The document aims to prompt further dialogue among stakeholders and to encourage further practical actions by its members and other companies.

In the publication, collaborative actions are divided into three sections to emphasise areas where business can take a lead in their own activities and where they should work in partnership with local communities and governments. Government partnership case studies include General Motors of Mexico providing an example of demand management at its Ramos Arizpe Automotive Complex (RAAC) in northeast Mexico. Demand management consists of policies and practices that influence how people use water. The main tools are water conservation and tariff policies.

RAAC manufactures engines and transmissions and assembles passenger vehicles. Its only source of water is a small semi-confined aquifer with limited storage capacity and a relatively high salt content, which is not suitable for direct industrial or domestic use. The company's challenge was to secure water for production without depleting the aquifer (also the local drinking water source), desalinate the well water and establish a recycling and reuse process for industrial wastewater. In response, activities implemented by the company included an intensive water conservation programme, the construction of solar evaporation ponds to convert the final brine stream to solid salts for potential resale, thereby avoiding discharge of salts into watercourses used for irrigation, and re-use of treated sanitary wastewater to irrigate RAAC gardens and sports fields and to create a lagoon. As a result, the company cut annual well withdrawal in half and reduced the amount of water needed to produce a vehicle from 32 to 22 cu m, while vehicle production increased seven-fold.

8. The Fund: 'Business Friends of the Danube'

The ICPDR developed the concept for a 'Business Friends of the Danube' Fund – an association pursuing non-profit purposes for the public good

Its goals are “the protection of the Danube river as a symbol for life and environment, a sustainable and equitable use of water and the protection of the ecosystems of the Danube river and the Danube related water-systems in respect of water stewardship for the benefit of people, environment and society.” These purposes are achieved through the following activities:

- Organisation, implementation and promotion of cultural, scientific, humanitarian and social projects and events, including projects and events for the creation of public awareness and involvement in the objectives of the association
- Coordination, implementation and promotion of educational events, surveys and research projects, discussions and conferences, exhibitions, excursions and social events
- Assistance in emergencies as well as measures against substances hazardous to water, floods and other dangers
- Publications
- Support of and cooperation with ICPDR with its seat in Vienna, in particular the assistance of ICPDR in the implementation of the Danube River Protection Convention

The members of the association can be 'ordinary', 'supporting' and 'honorary'. The ICPDR and other founding members are ordinary members. Ordinary members fully participate in the activities of the association. They are businesses and partnerships as well as other legal entities and entities under international law. Private individuals may not be ordinary members. The activities and the corporate identity of the businesses and business entities must be compatible with the objectives of the association.

Supporting members provide assistance for the activities of the association by way of a higher membership fee. Honorary members are individuals appointed due to their special merits in respect of the association or its objectives. Only ordinary and honorary members can vote.

The Board of Directors and General Meeting decide on the admission of ordinary and supporting members which may be made conditional on payment of membership fees and supporting fees, the amount of which shall be determined by the General Meeting.





THE FUND'S 'CORPORATE BODIES'

The corporate bodies of the association are the General Meeting, Board of Directors, the auditors and the Arbitration Panel. Elections and resolutions in the General Meeting, held once a year, are passed by a simple majority of votes.

Examples of functions at the General Meeting are the approval of the annual report, annual statement of accounts and budget, the approval of admission of ordinary members and determination of the accession fee and membership fees (supporting fees) for ordinary and supporting members. The General Meeting elects members of the Board of Directors. Board members may be members of the association. The Board of Directors manages and represents the association, administers the association's assets, provides an annual budget and implements an accounting system.

The General Meeting may establish an advisory board with a consulting function, for example to give recommendations regarding the use of contributions and donations made by supporting members and donors. The association has two auditors elected by the General Meeting who may be members of the association but not members of the Board of Directors or advisory board. The internal Arbitration Panel who may be members of the association shall settle all disputes arising from membership in the association.

9. ICPDR Partnership Guidelines

The ICPDR has also developed a number of principles and guidelines that it now follows when entering into a possible a partnership with a business. Agreed upon in June 2005, they provide guidance to issues such as:

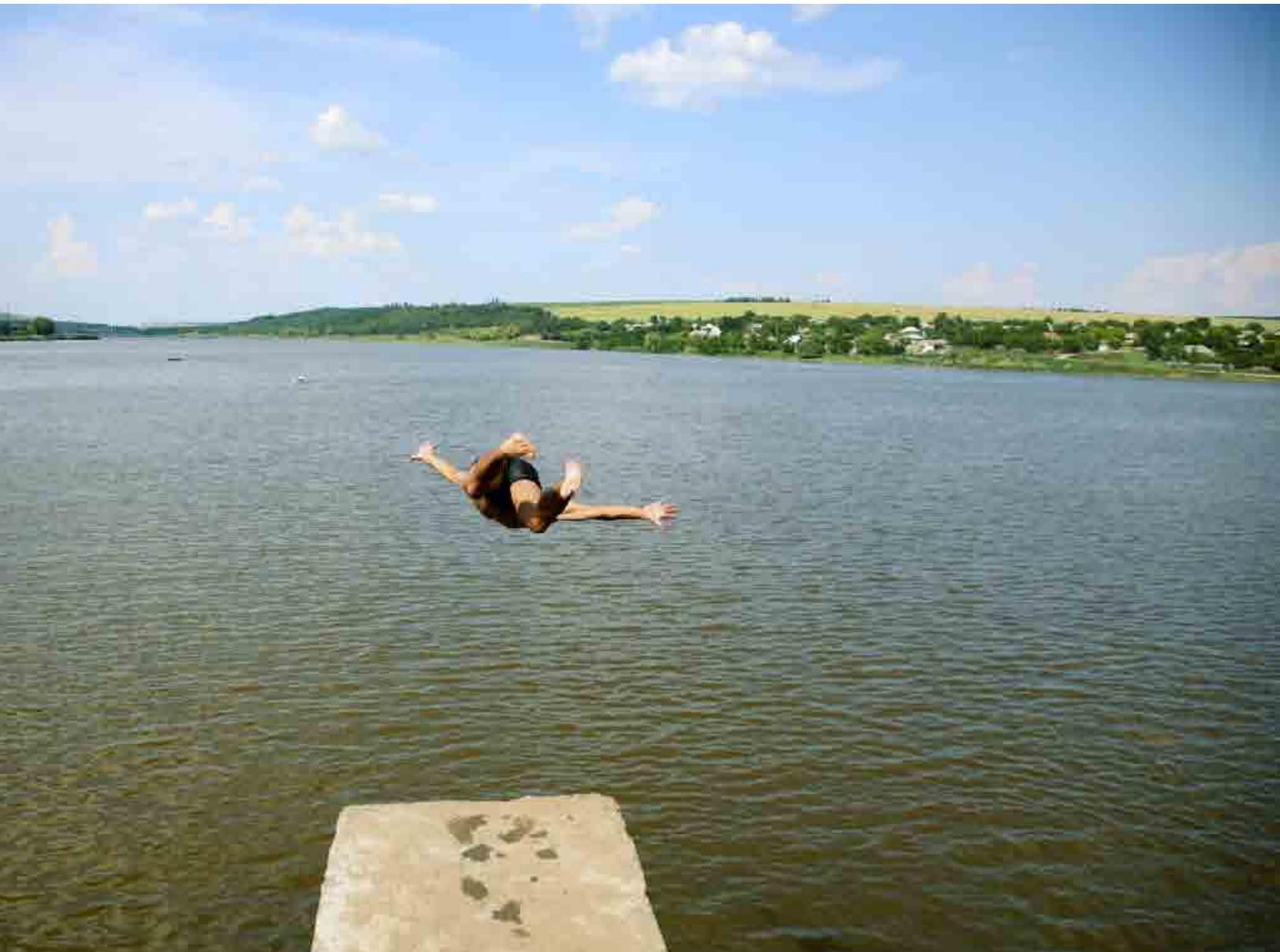
- What the ICPDR should and should not do
- The expected relationship between a partner company and the Danube River Protection Convention
- Levels of communication and awareness raising
- Corporate funding of ICPDR activities

The principles and guidelines are:

- Companies and businesses with which the ICPDR formally cooperates should be interested and active in supporting the work of the ICPDR in fulfilment of the objectives of the Danube River Protection Convention (DRPC).
- The ICPDR will not endorse particular products.
- Cooperation with a particular business or industry should not diminish the right for self-determination or action of the ICPDR or any of its structures.
- The cooperation (Memorandum of Understanding or other form of agreement) should specify the nature of communication related to the cooperation.
- Formal agreements would be sought only with a company which demonstrates commitment to the goals of the DRPC and is working towards those ends. The corporate entity should have plans and actions to address problems that may exist.
- The relationship will contribute to raising a positive awareness of the ICPDR, contributing to the goals of the DRPC and where applicable engaging a company's employees and customers.
- The cooperation must be based on transparency and the parties, including the ICPDR, commit themselves to monitoring and evaluating the relationship.
- It must be ensured that any formal agreement on cooperation have an escape clause that allows for termination of the relationship based on changed circumstances or at specified a time.
- If agreements or special relations with business or industry are established, then regular reporting should be undertaken by the Secretariat to the Ordinary meeting of the ICPDR.
- Cooperation should as much as possible be focused on transboundary benefits. Cooperation at a basin-wide transboundary level, however, should not imply national level endorsement of activities, or specify particular actions at the national level, unless agreed upon with the representative to the ICPDR from that country.
- Cooperation with business and industry that involves financial support for activities should only be for additional special projects and activities outside the core activities of the ICPDR.



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1. Every case study but one involved or encouraged companies to go beyond the mere act of just fulfilling laws and other regulatory obligations. The case of the detergent industry in the Danube Basin stands out as the one case where the private sector preferred to wait for legislation than to voluntarily take actions to improve the environmental situation.
2. Every case study but one had agreement from both sides of the partnership that using public-private partnerships was an excellent vehicle or mechanism through which mutual benefits could be achieved, again with the exception of the Danube detergent industry.
3. Every case study involved a business case for companies to motivate and encourage them to take actions that both supported water and environmental management as well as strategic business interests. Examples here included the improvement of on-site water efficiency at Coca-Cola operations, and increasing the positioning of Toyota in specific Danube countries as the car company that cares about the environment.
4. In just about every partnership example, companies were implementing three of the four key CSR activities presented in this handbook – namely as environmental manager, innovator and funder.
5. Activities devoted to improving environmental performance that are implemented onsite at a company's own operations are especially significant in providing benefits to the company itself, public institutions, local communities and the environment. A company that only develops innovative products or techniques for other companies to use, or which only funds external projects, while not improving the environmental management of its own operations, is not “practicing what it preaches”. It is therefore also less credible as a true Danube stakeholder.
6. Regarding the fourth sign of CSR activity – participating stakeholder – in only a few cases were individual companies actively involved as a participant in multi-stakeholder forums such as with the ICPDR. Typically, companies entered into associations and appointed agencies or individuals to represent them at such decision- and policy-making dialogues, such as Powertech, World Business Council for Sustainable Development (WBCSD) and Council of Great Lakes Industries (CGLI).
7. In numerous cases, the private sector emphasised the importance of placing value on water as a resource, which means managing it through a system of costs and pricing and possibly full-cost recovery. Without such a value, many experiences have shown that water will be wasted.

It can be seen that implementing any of these three activities often effectively justifies a business case for a company to have become involved. For example, on-site environmental management can reduce inefficiencies and costs. The sale of new innovative products can raise company income. And funding environmental activities, especially where the public is involved, raises company visibility and positioning.

10.2 Best practices behind partnerships

Closer observation of the case studies presented in this handbook finds four main types of best practices behind public-private partnerships:

1. Companies and environmental institutions use sustainability to build environmental excellence and social responsibility
2. Companies strategically select institutions that match their market interests
3. Companies create associations to improve the sustainability of their activities
4. Environmental institutions create special mechanisms for investments

1. Companies, foundations, NGOs and environmental institutions use sustainability to build environmental excellence and social responsibility

Grants awarded to Danube countries for environmental protection serve to share information and develop networks to enhance the joint implementation of the international legislation addressing Danube Basin-wide and local challenges in conservation and sustainability.

There are excellent examples of relationships built in the communities where grants were awarded in the Danube basin. These were seen as tools and processes to facilitate communications on issues of common concern and relationship - building between companies, foundations, NGOs and the recipients of the grants in the Danube Basin - the water authorities.

2. Companies strategically select institutions that match their market interests

CSR is increasingly becoming a hot issue for companies and part of their strategic planning and management efforts. It has become clear that CSR is an excellent tool to reach and position themselves among new potential markets, and to retain existing ones – a true business case for them to get involved.

One clear CSR strategy is for a company to find an appropriate institution with which it can partner to implement its CSR activities. The institution should have a mandate and proven track record in supporting a particular theme or issue that is of strategic importance to the company's operations or values, especially where the company does business.

Coca-Cola teamed up with the ICPDR, national and local partners in specific Danube countries, and UNDP, showing that it cares about the sustainable use of water. Toyota created a partnership with the REC, enhancing its positioning as the car company that cares about the environment.

However, institutions should formulate and use guiding principles to help plan partnerships. Lessons learned in the presented case studies that can influence ICPDR principles include the institution having the right to:

- Remain independent in its decision-making
- Retain control over the content of its products and activities
- Refuse to promote the products or services of its business partner
- Refuse to enter partnerships with specific companies or for specific activities, such as those deemed to be 'greenwashing'

3. Companies create associations to improve the sustainability of their activities

Companies have recognised both the need to go beyond merely abiding by laws and to have a business case for improved sustainability efforts.

In this case, companies band together into associations or councils to promote the business case for corporate sustainability activities and to represent themselves in multi-stakeholder forums. Quite often, separate and independent agencies are created with full-time staff to reflect and increase the interests of the members of the association.

Examples presented in this handbook included the WBCSD, CGLI and the Hungary Business Leaders Forum. Partnerships between them and governments, international organisations and NGOs are typically considered excellent vehicles or mechanisms for change – for example, the partnership between CGLI and the Canadian and US governments on the toxic reduction strategy for the Great Lakes. Another example is the aim of the Hungary Business Leaders Forum to “promote partnerships with members to implement CSR projects and achieve their goals.”

In some cases, companies will band together, perhaps even informally, to defend themselves against the encouragement or lobbying from international environmental organisations or NGOs. The Danube detergent industry was one key example here.

4. Environmental institutions create special mechanisms for investments

In this case, it is an environmental institution itself, with a mandate over a specific geographic area or theme, which initiates special mechanisms that encourage companies to get involved in partnerships with them. Companies either receive funds to implement environment-related projects, or provide funds to institutions to implement them.

Partnerships discussed in this handbook where companies receive funds for doing work included: the Australian Government Water Fund, which covers the national territory of Australia and water theme, and the World-wide Fund for Nature (WWF) Living Planet Fund, which covers select areas across the world and a number of environmental themes. The ‘work’ to be done by companies varied from building large infrastructural developments, such as wastewater treatment facilities to designing smart new technologies and practices.

The main difference between these two partnerships is the source of their funding. The Australian Fund is funded by the government. The WWF Living Planet Fund is funded through private and institutional investors.

Partnerships in Environmental Management for the Seas of East Asia (PEMSEA), which covers the East Asian Seas region and water theme, also pays companies to implement activities. PEMSEA receives its funding from the Global Environment Facility (GEF) and PEMSEA region national contributions.

11. Future outlook

A key goal of this handbook is to allow the case studies and their lessons learned and best practices to guide the ICPDR's future approach and strategies for entering into public-private partnerships. The first question to be answered now is simply: Are such partnerships worth getting into?

The answer appears to be a definite 'yes'. The ICPDR, like many other public institutions, increasingly needs partnerships and the help of the private sector to do its job correctly – namely, the implementation of the Danube River Protection Convention and the EU Water Framework Directive (WFD). Help from the private sector is especially needed to help finance and implement the Programme of Measures included in the Danube River Basin Management Plan which needs to be completed by 2009 as part of the WFD.

To achieve this, the ICPDR needs a set of principles to guide the development of partnership agreements with the private sector to ensure that both sides receive mutual benefits and that ICPDR independence is retained. Its current principles should be reviewed and updated given the lessons learned in this handbook.

The ICPDR needs to attract and encourage business involvement. The ICPDR can encourage companies to implement the four key corporate social responsibility activities of participating stakeholder, environmental manager, innovator and funder. Companies can use 'road maps' to make business cases, provided through other public-private partnerships, such as the.

Companies should continue to approach the ICPDR, especially companies that have strategic interests and values that fit or are easily linked to the ICPDR's mandate – for example, companies with operations in the basin that rely heavily on water use. In turn, the ICPDR should also be proactive in approaching such companies, encouraging them to improve the environmental management of their own operations and in replicating their best practices in other companies in the basin.

The ICPDR should enhance its partnerships with foundations, NGOs and business associations that have already banded together to promote sustainable development. It should also encourage the formation and strengthening of new business associations, possibly in the fields of agriculture, hydropower generation, navigation and mining. The further development of structured dialogues with business sector representatives would help facilitate investments to reduce pollution and implement other measures for the Danube River Basin Management Plan. The development of future scenarios with business, as suggested by the WBCSD, is also advised.

Voluntary agreements could be increasingly made with the business sector toward specific goals, thereby setting a model example of cooperation in many parts of the Danube Basin where voluntary agreements are still relatively rare.

Building on the ICPDR's first stakeholder dialogue in 2005, a series of additional national and international 'Danube Stakeholder Dialogues' with key business, government and NGO representatives could be established, focusing on select problems in the basin. Outcomes could be concrete activities or projects implemented through the active involvement and financial input from partners.

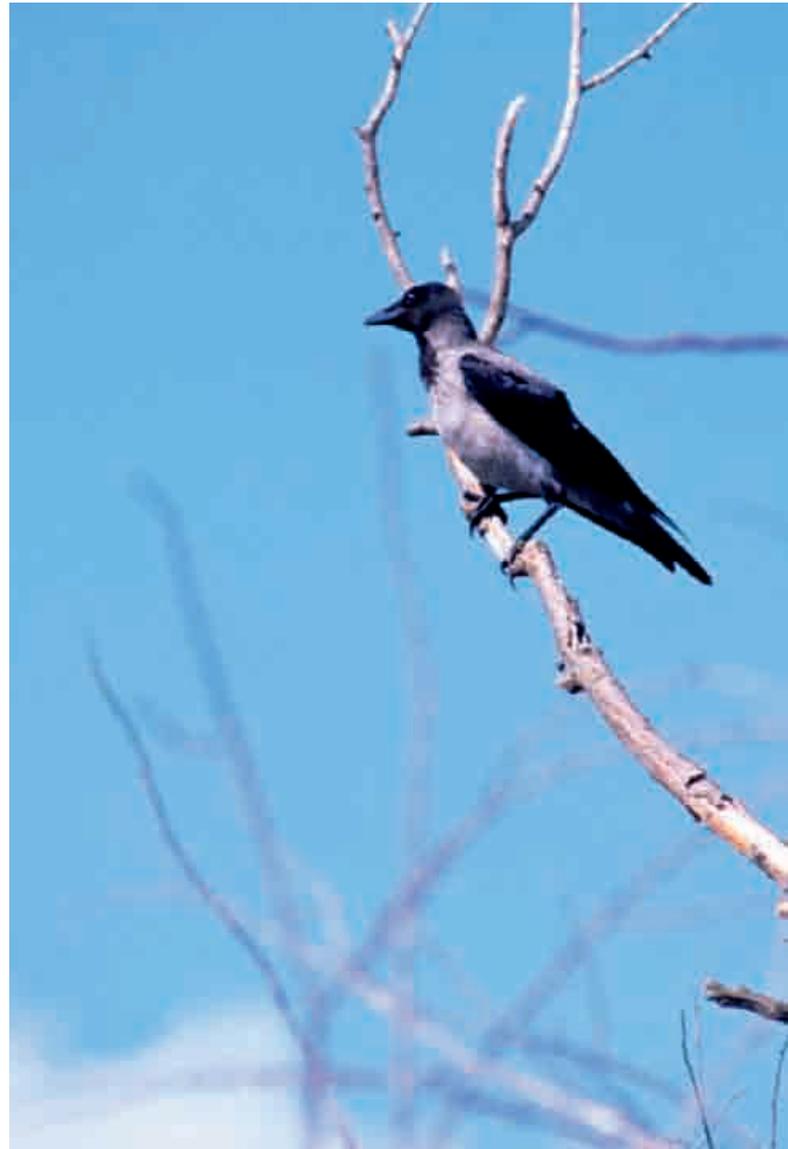
Where such partnerships with associations are deemed infeasible or ineffective, the ICPDR will need to focus on the development and implementation of new policies and legislation, such as with the detergent industry.

The ICPDR could encourage the creation of public funds for paying companies to implement projects for infrastructural developments or innovative products. Such funds could be linked with training programmes for governmental officials in developing partnerships with the private sector, and even the development of a virtual network linking investors with projects. Funding could possibly come from the Global Environment Facility. More Danube countries could also set up national funds similar to that running in Australia.

A mix of mechanisms can be used to attract private sector financing, learning from those used by World-wide Fund for Nature (WWF). These could be offered regionally through the ICPDR as well as at the national and local level in the Danube Basin. The Business Friends of the Danube Fund is one promising regional mechanism already in progress. WWF notes that independent research shows consumers have high regard for a company that invests in its social and environmental responsibilities. In any case, it is unlikely that businesses would be interested unless they perceive a business case and benefits.

In the Danube Basin, the question of what roles the public and private sectors should play in providing water to citizens and treating wastewater will only grow in importance, especially as the ability of many governments in financing public utilities and services in general continues to decline.

In recent years the ICPDR has also taken important steps to engage a variety of stakeholders in the efforts to improve the conditions in the Danube River Basin. Of particular importance have been efforts to work with stakeholders of all kinds in carrying out the activities. That cooperation needs to continue and be strengthened to sustain the progress and to meet the challenges that exist.



About the ICPDR

The [International Commission for the Protection of the Danube River \(ICPDR\)](#) is an international organisation consisting of 14 contracting parties, including the European Union. Since its establishment in 1998, it has grown into one of the largest and most active international bodies engaged in river basin management in Europe. Its activities relate not only to the Danube River, but also to the tributaries and ground water resources of the entire Danube River Basin.

The ultimate goal of the ICPDR is to implement the Danube River Protection Convention. Its mission is to promote and coordinate sustainable and equitable water management, including conservation, and the improvement and rational use of waters for the benefit of the Danube River Basin countries and their people. The ICPDR pursues its mission by making recommendations for the improvement of water quality, developing mechanisms for flood and accident control, agreeing standards for emissions and ensuring that these measures are reflected in national legislation.

The ICPDR is supported by a Secretariat based in the Vienna International Centre in Vienna, Austria.

The contracting parties to the ICPDR are shown here, along with their organisations and website addresses:

European Union

European Commission, DG Environment
<http://ec.europa.eu/environment/>

Germany

Federal Ministry for the Environment,
Nature Conservation and Nuclear Safety
www.bmu.de/



Austria

Ministry for Agriculture, Forestry,
Environment and Water Management
www.lebensministerium.at

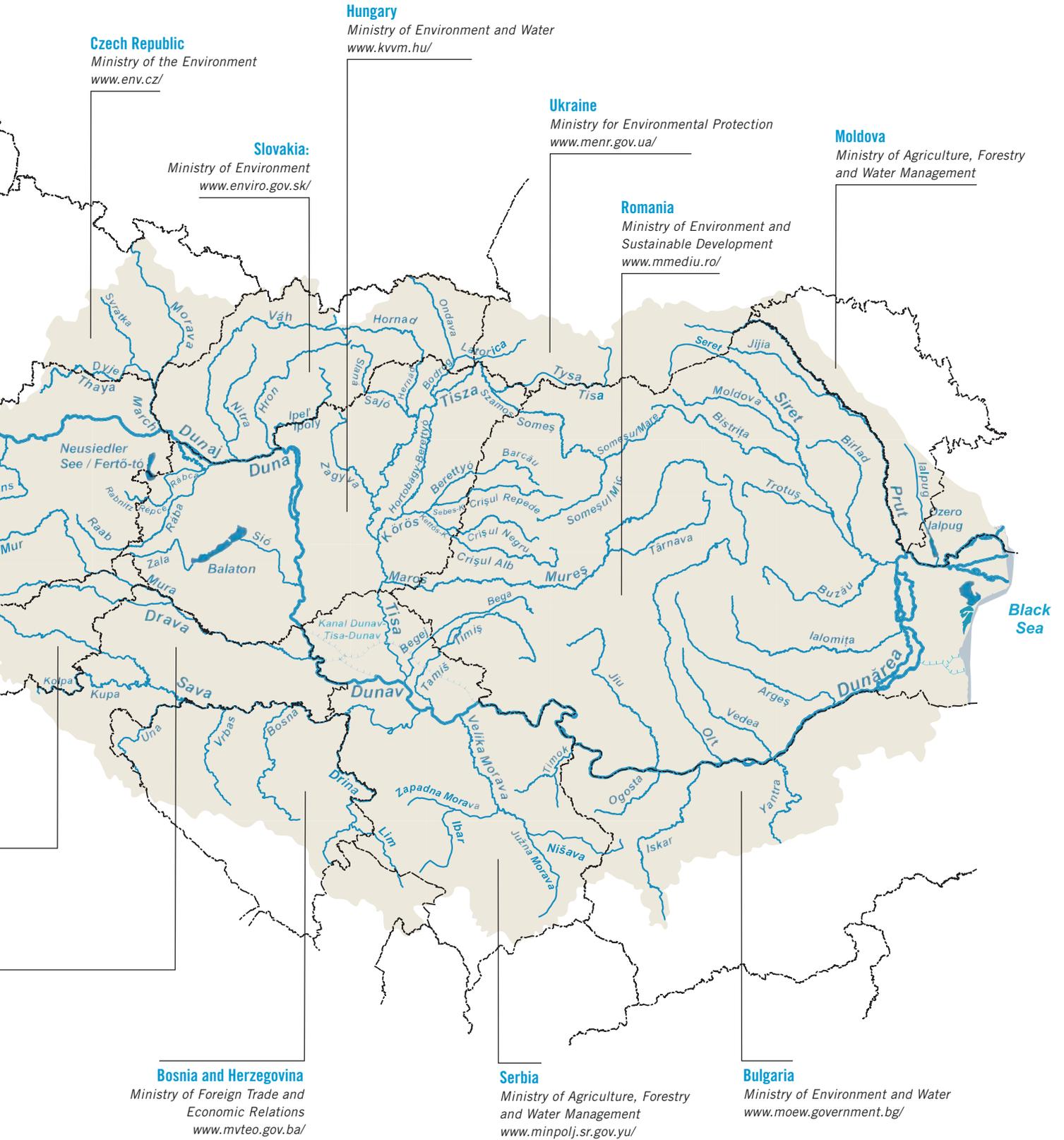
Slovenia

Ministry of the Environment
and Spatial Planning
www.mop.gov.si/

Croatia

Ministry of Agriculture,
Forestry and Water Management
www.mps.hr/

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